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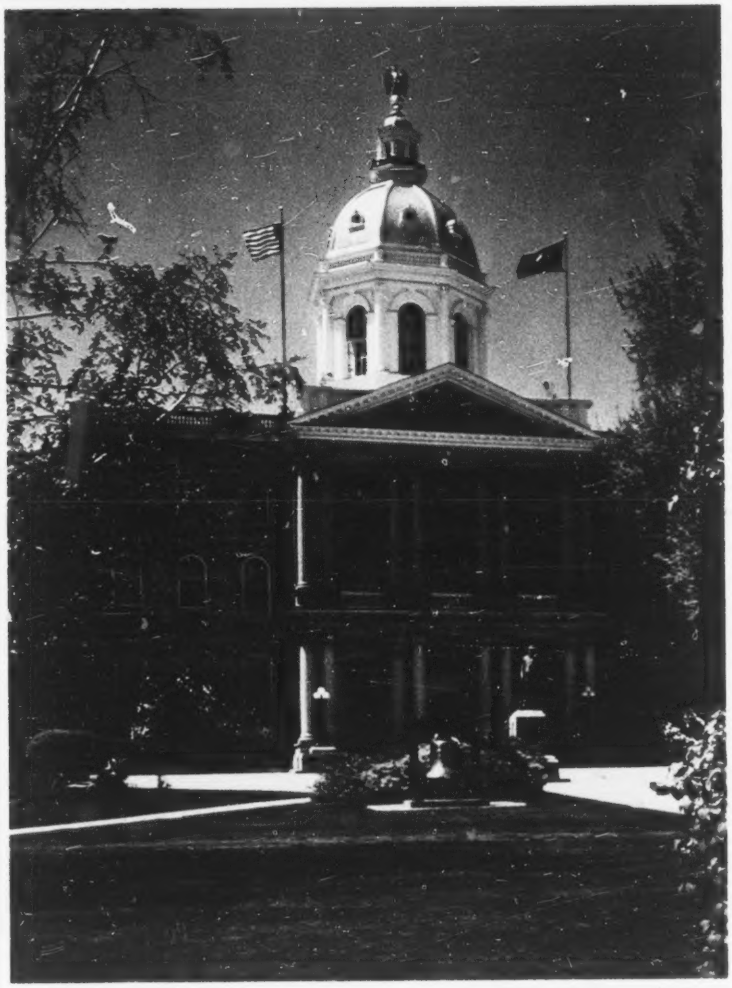
State of New Hampshire

Comprehensive Annual Financial Report for the Year Ended June 30, 1985



The State House, Concord, New Hampshire

In 1782, the first legislative session was held at Concord, present capital, but it was not until 1816 that the cornerstone of the present capitol building was laid.

Although the eagle which perches atop the gold dome of New Hampshire's State House was raised with great pomp and ceremony on July 18, 1818, the origin of the golden bird to this day remains unknown. The old eagle was removed August 31, 1957, and a new one dedicated on Veterans Day of that year.

On the lawn of the State House are statues of Daniel Webster, the famous statesman and orator; General John Stark, the Revolutionary War hero; John P. Hale, the noted Statesman of Civil War Days; and Franklin Pierce, the 14th President of the United States—native sons all.

To realize why it has been found necessary to increase the capacity of the New Hampshire State House several times, one needs only to attend a session of the New Hampshire Legislature, the largest state legislative body in the United States. There may be as many as 400 members who are elected in the towns and city wards within the state. Senate membership is established at 24 members. Senatorial districts are determined "by the proportion of direct taxes paid by said districts." The General Court meets annually, but may be called into special session at any time.

New Hampshire, the ninth and deciding state to ratify the Federal Constitution in 1788, was also the first of the States to adopt, in 1783, its own constitution. New Hampshire patriots are also credited with the first aggressive act of the Revolution, when, in 1774, a small party captured Fort William and Mary in New Castle and removed powder and guns.

For the reasons cited above, and many more, New Hampshiremen are indeed proud of their historic heritage.

Cover photo by Eric Sanford

State of New Hampshire

Comprehensive Annual Financial Report for the Year Ended June 30, 1985

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STATE OF NEW HAMPSHIRE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1985
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INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

December 6, 1985

To: His Excellency The Governor
and The Honorable Council

In accordance with statutory requirements Chapter 21-I:8, I submit herewith the Fifty-fourth Comprehensive Annual Financial Report covering the fiscal operations of the State government for the fiscal year ended June 30, 1985. This report has been prepared by the State's Division of Accounting Services. Responsibility for both the accuracy of the data presented and completeness and fairness of the presentation, including all disclosures, rests with the State. These Statements are based on generally accepted accounting principles considered by management to present fairly and consistently the State's financial position and results of operations.

The Reporting Entity

The General Purpose Combined Financial Statements and accompanying notes provide an overview of the financial position of the State and operating results for the fiscal year. All activities and programs that are controlled by or dependent on the State's executive or legislative branches are included in the financial statements, except as noted in the Notes to Financial Statements under the General Comments.

Accounting Policies And Budgetary Control

Information in this report includes financial transactions recorded in the centralized appropriation accounting system on the basis of accounting prescribed by law for budgetary purposes as well as by Generally Accepted Accounting Principles (GAAP). The financial transactions on a Generally Accepted Accounting Principle (GAAP) basis are included only in the category General Purpose Combined Financial Statements pages 14 through 19 and Supplementary Financial Data pages 42 through 49.

The accounts of all governmental funds are maintained and reported on the modified accrual basis of accounting. Under the modified basis, revenues and assets are recognized when measurable and available to finance operations during the year; expenditures and liabilities are recognized when obligations are incurred as a result of receipt of goods or services. The State's Proprietary and Fiduciary Funds are maintained and reported on the accrual basis.

Budget controls are maintained at the agency and Division of Accounting Services level by the use of encumbrances for purchase orders and contracts with vendors. Open encumbrances are reported as a reserve of fund balance at June 30, 1985. Unexpended balance of appropriations are used as a control mechanism to monitor unencumbered expenditures. In addition a quarterly allotment system is maintained for each agency as it relates to the approved budget for the fiscal year.

Significant Aspects Of Financial Operations

The State of New Hampshire ended the fiscal year 1985 with a General Fund Undesignated Surplus of $22 million which compares favorably with a fiscal year 1984 (deficit) of $(24) million (see exhibit page 6).

Governmental and Enterprise Funds - Result of Operations

Revenues for Governmental and Enterprise Funds totaled $902 million and $70 million in 1985, an increase of $79 million and a (decrease) of $(1) million as compared with Fiscal 1984. The amount of revenues from various sources and changes from prior year are shown below, (expressed in millions).

Revenue Sources	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	Increase (Decrease) From 1984 %
Governmental:						
Taxes	$ 233	$ 300	$ 303	$ 403	$ 429	6
Fees and Fines	14	20	26	28	37	30
Federal Grants	236	221	242	257	295	15
Grants from Private and Local Sources	22	26	28	29	26	(7)
Sale of Services and Commodities	28	31	31	31	34	8
Assessments	17	20	21	23	26	11
Agency Grants	20	19	17	23	27	20
Miscellaneous	17	21	24	29	28	(3)
Total Governmental	587	658	692	823	902	10
Public Services Enterprises:						
Liquor Commission (Net of Cost of Goods Sold)	47	48	49	54	55	2
Sweepstakes Commission	12	15	14	17	15	(11)
Total Enterprise	59	63	63	71	70	(1)
Total Revenues	$ 646	$ 721	$ 755	$ 894	$ 972	9

Increases in revenues over fiscal year 1984 reflect national economic conditions as well as the strength of the New Hampshire economy. Continued economic growth of the State stems in turn from the favorable operating results of existing businesses, the increase in the number of new companies in the state and the growth of population. Another factor has been the continued strength of the tourist industry.

As a result of these economic conditions, the major increases were in real estate transfer, business profits and meals and rooms tax receipts. Real estate transfer tax revenue continued to increase primarily as a result of business growth and the accompanying northward migration of employees. In spite of the decrease in effective rate from 9.56% in fiscal year 1984, to 9.08% in fiscal year 1985, business profits tax receipts grew 9%, equivalent to an increase in the taxable base of 15%. With a rise in population, as well as a strong real estate market for second homes, the meals and rooms tax revenue also increased.

The fiscal year 1985 revenues exemplify the State's stable revenue structure as the percentage of each revenue source, out of total revenues, has remained relatively consistent over the past few years. A comparison of these revenues against expenditures is illustrated in the exhibit on page 6.

Expenditures for Governmental and Enterprise Funds totaled $935 million and $25 million, respectively in 1985, an increase of $92 million and a decrease of $(1) million versus 1984. The amount of expenditures in various functions and changes from prior year are shown below (expressed in millions).

Function	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	Increase (Decrease) From 1984 %
Governmental:						
General Government	$ 105	$ 105	$ 114	$ 118	$ 130	10
Administration of Justice and Public Protection	47	47	62	70	98	39
Resources Protection and Development	35	36	45	41	42	3
Transportation	85	90	92	109	120	10
Health and Social Services	226	230	250	272	288	6
Education	108	111	109	119	119	-
Debt Service	37	47	48	51	52	2
Capital Outlays	64	61	70	63	86	37
Total Governmental	707	727	790	843	935	11
Public Services Enterprises:						
Administration of Justice and Public Protection	21	23	22	25	24	(4)
Total Enterprises	21	23	22	25	24	(4)
Total Expenditures	$ 728	$ 750	$ 812	$ 868	$ 959	11

Increase in levels of expenditures for major functions from the previous year were primarily attributable to the second year of a pay raise for $29.4 million. The balance is related to providing expanded State services which includes such activities as acquisition costs of an integrated financial system, facilities start-up costs for the residential Youth Development Center, Police Standards and Training facilities and training programs, major computer equipment costs for an unemployment insurance automated project, and capital outlays for various projects started during the year. The implementation of a Unified Court System in fiscal 1985 has also impacted expenditures in the category Administration of Justice and Public Protection.

Cash Management

The State's Cash and Temporary Investments were $77,798,118 at June 30, 1985, including $4,657,860 in the Trust and Agency Fund. The State Treasurer continually monitors cash flow in order to improve the utilization of cash resources. During the year, temporary surpluses are invested in various U.S. Treasury obligations, repurchase agreements, and time deposits with various ranges of maturities.

Debt Administration

During the year the State retired $20,000,000 of Temporary Loans. There were no Temporary Loans outstanding at June 30, 1985. General Obligation Capital Improvement Bonds of $54,000,000 were issued February 1, 1985 bearing interest rates from 7.75% to 8.90%.

The State has a debt management program one purpose of which is to eliminate the State's need for short-term debt for operating purposes. Another purpose of the debt management program is to hold long-term tax-supported debt to relatively low levels in the future. A third purpose is to coordinate the issuance of tax-supported securities by the State.

Partly as a result of this program, the State retired all of its short-term debt for operating purposes, which had reached a maximum of $70 million early in fiscal year 1984. The State did not issue short-term debt for operating purposes during fiscal year 1985 and does not anticipate issuing such debt during fiscal year 1986. The State has been able to eliminate its need for short-term debt for operating purposes through the improved financial controls and increased revenues.

The State currently has no bond anticipation notes outstanding, but expects to issue approximately $40 million of such notes in fiscal year 1986, which are expected to be funded through the issuance of long term debt in the spring of 1986. This follows the State's policy of financing ongoing capital projects with bond anticipation notes and funding these notes annually through the issuance of general obligation bonds.

Independent Audit

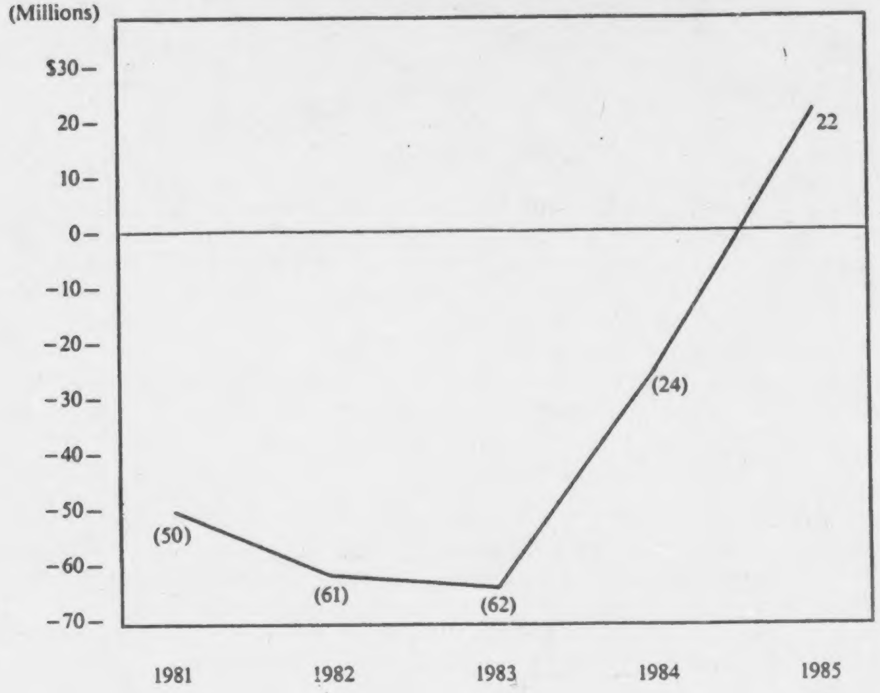
Ernst & Whinney has performed an independent audit of the State's financial statements in accordance with Generally Accepted Auditing Standards (GAAS) for the fiscal year ended June 30, 1985. Their report is contained in the Audited General Purpose Combined Financial Statements section and applies only to that section and the Supplementary Financial Data. Certain adjustments were made for fiscal year 1985 in order to present the State's financial statements in conformity with Generally Accepted Accounting Principles (GAAP).

Respectfully submitted,

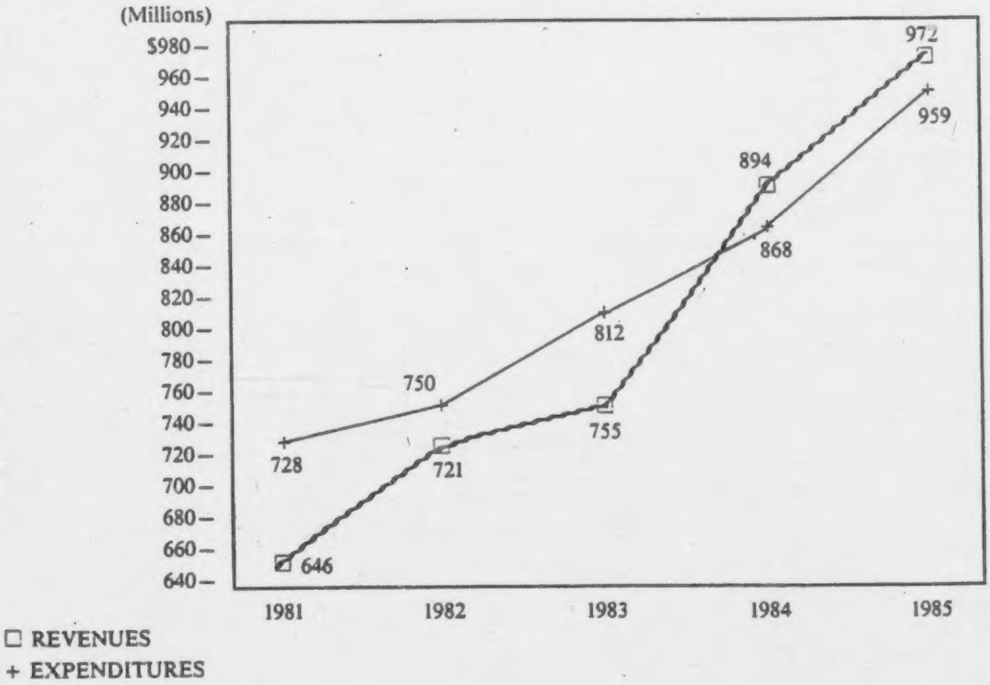
Stephen M. Kennedy, Commissioner
Department of Administrative Services

STATE OF NEW HAMPSHIRE

GRAPHIC FIVE YEAR SUMMARY OF UNDESIGNATED SURPLUS—GENERAL FUND
FOR THE PERIOD ENDING JUNE 30

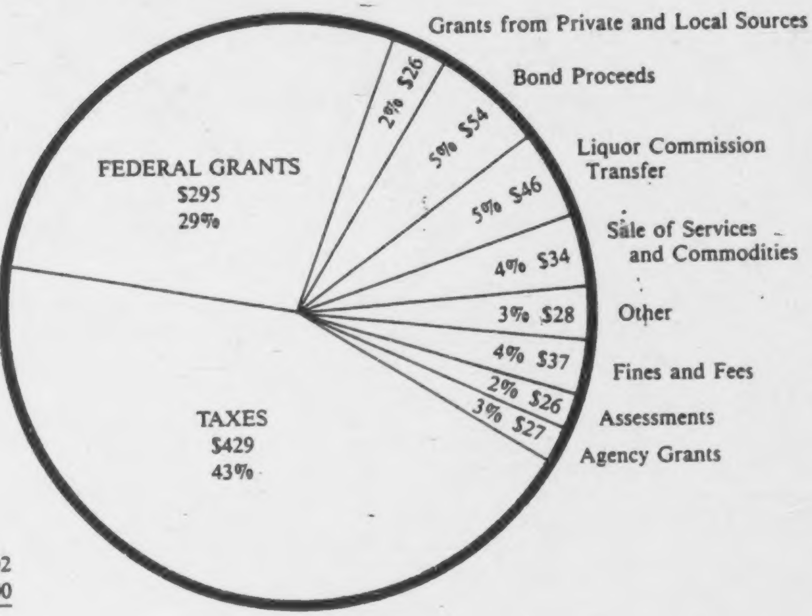


GRAPHIC FIVE YEAR COMPARATIVE SUMMARY OF REVENUES AND EXPENDITURES
FOR THE PERIOD ENDING JUNE 30



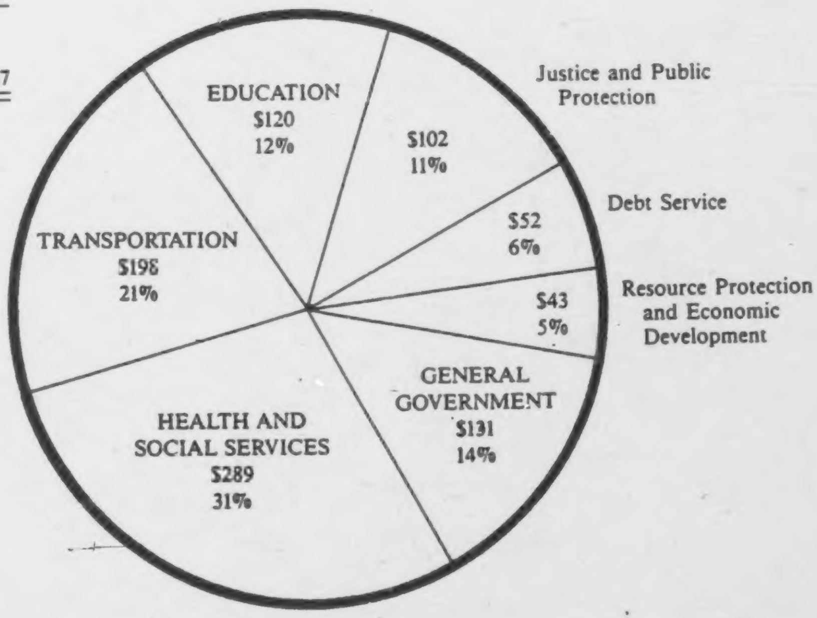
STATE OF NEW HAMPSHIRE
GRAPHIC SUMMARY OF FINANCIAL RESOURCES AND EXPENDITURES — ALL GOVERNMENTAL FUNDS
JUNE 30, 1985
(MILLIONS OF DOLLARS)

FINANCIAL RESOURCES BY SOURCE



Total Revenue	$ 902
*Other Financing Services	100
Total Revenue and Other Sources	1,002
Total Expenditures	935
Excess of Revenue and Other Sources Over Expenditures	$ 67

EXPENDITURES BY FUNCTION



*Net of offsetting transfers from/to Governmental Funds. Reference: Combined Statement of Revenues, Expenditures and Changes in Fund Equity — All Governmental Fund Types (GAAP Basis)

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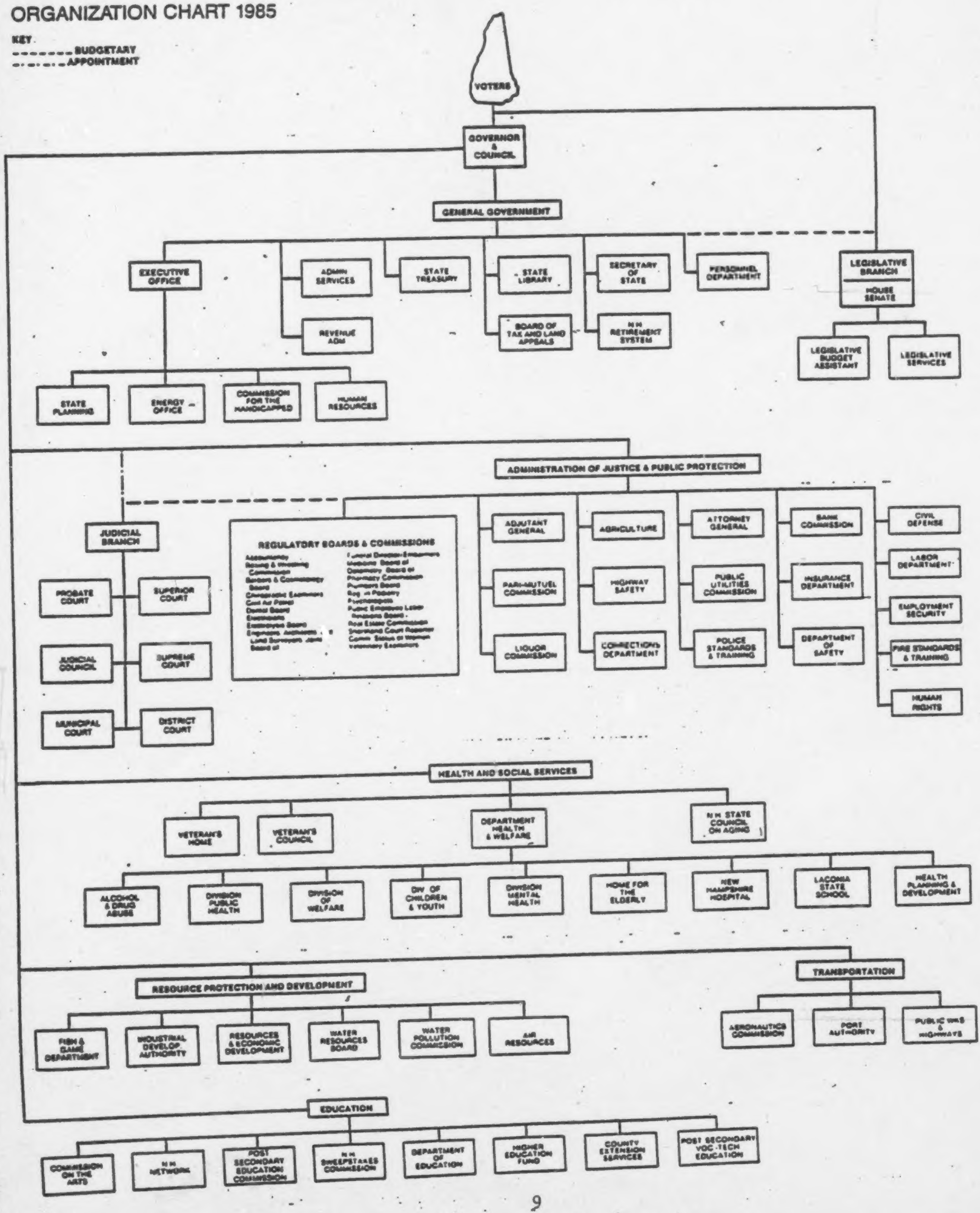
STATE OF NEW HAMPSHIRE

ORGANIZATION CHART 1985



FINANCIAL SECTION

GENERAL PURPOSE COMBINED FINANCIAL STATEMENTS

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Ernst & Whinney

Two Wall Street
Manchester, New Hampshire 03105

603/625-9601

To the Fiscal Committee of the General Court
State of New Hampshire
Concord, New Hampshire

We have examined the general purpose combined financial statements of the various funds and Long-Term Debt Account Group of the State of New Hampshire as of June 30, 1985 and for the year then ended, as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in the General Comments of the Notes to Financial Statements, the financial statements do not include all activities of the New Hampshire Department of Employment Security, the New Hampshire Division of Welfare and the New Hampshire Unified Court System as required by generally accepted accounting principles.

As more fully described in Notes 1 and 2, the State does not have complete financial records to support the amounts included in its General Fixed Assets Account Group. Accordingly, we were unable to examine sufficient evidential matter to support such amounts.

As more fully described in Note 2, the accompanying financial statements do not include a Combined Statement of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual for the General and Special Revenue Funds as required by generally accepted accounting principles.

The State does not account for the activities of the Central and Eastern New Hampshire Turnpikes as an enterprise fund as required by generally accepted accounting principles.

In our opinion, except for the matters referred to in the second through fifth paragraphs, the general purpose combined financial statements referred to in the first paragraph fairly present the financial position of the various funds and Long-Term Debt Account Group of the State of New Hampshire as of June 30, 1985, and the results of operations of such funds and the changes in financial position of Proprietary Fund Types and Similar Trust Funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. For the reason discussed in the third paragraph, we do not express an opinion on the General Fixed Assets Account Group.

Our examination was made for the purpose of forming an opinion on the general purpose combined financial statements taken as a whole. The supplementary financial data is presented for purposes of additional analysis and is not a required part of the general purpose combined financial statements. This information has been subjected to the auditing procedures applied in the examination of the general purpose combined financial statements and, in our opinion, except that the State does not account for the activities of the Central and Eastern New Hampshire Turnpikes as an enterprise fund, is fairly stated in all material respects in relation to the general purpose combined financial statements taken as a whole.

Ernst & Whinney

Manchester, New Hampshire
December 6, 1985

STATE OF NEW HAMPSHIRE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1985

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and Temporary Investments (Notes 2 and 4)	$ 30,729,909	$ 29,741,799	$ 5,685,874	$ 3,370,659
Accounts Receivable (Net of Allowance for Uncollectibles) (Note 5)	28,585,702	52,600,761		1,576,963
Federal Funds Obligated Not Currently Reimburseable (Note 2)		75,339,934		
Due from Other Funds (Note 2)	10,530,877	2,188,165		
Inventories	2,453,389	677,709		
Land				
Land Improvements				
Buildings				
Leasehold Improvements				
Equipment				
Less: Allowance for Depreciation & Amortization				
Amount Available for Payment of Bonds				
Amount to be Provided for Payment of Water Pollution Contracts				
Amount to be Provided for Payment of Bonds				
Amount to be Provided by University System For Payment of Bonds				
Amount to be Provided for Compensated Absences				
Total Assets	$ 72,299,877	$ 160,548,368	$ 5,685,874	$ 4,947,622
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts Payable	$ 15,722,255	$ 35,523,618		$ 2,330,171
Accrued Payroll	8,693,553	3,901,982		
Due to Other Funds	2,933,530			
Deferred Revenue	1,353,195	77,275,723		
Other Liabilities	2,104,728			
Due to Other Taxing Units				
Reserve for Member/Employer Contributions				
Bonds Payable (Notes 6 and 8)				
Water Pollution Contracts Payable (Notes 7 and 8)				
Compensated Absences Payable (Notes 2 and 8)				
Total Liabilities	30,807,261	116,701,323		2,330,171
FUND EQUITY:				
Investment in Fixed Assets				
Contributions from Other Funds				
Fund Balance:				
Trust Fund Balance				
Reserve for Encumbrances	8,808,104	97,693,686		8,779,687
Reserve for Inventories	2,453,389	677,709		
Unreserved:				
Designated	8,336,771	783,355		
Undesignated/Surplus (Deficit)	21,894,352	(55,307,705)	$ 5,685,874	(6,162,236)
Total Fund Equity	41,492,616	43,847,045	5,685,874	2,617,451
Total Liabilities and Fund Equity	$ 72,299,877	$ 160,548,368	$ 5,685,874	$ 4,947,622

SEE NOTES TO FINANCIAL STATEMENTS

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		
Enterprise	Trust and Agency	(Unaudited) General Fixed Asset	Long Term Debt	Total (Memorandum Only)
$ 3,612,017	$ 4,657,860			$ 77,798,118
2,273,827				85,037,253
				75,339,934
390,790	354,575			13,464,407
19,054,673				22,185,771
1,402,146		$ 119,198,309		120,600,455
525,611		94,491		620,102
6,348,219		141,417,787		147,766,006
485,411				485,411
5,444,704		69,476,901		74,921,605
(4,582,131)				(4,582,131)
			$ 5,680,854	5,680,854
			2,444,371	2,444,371
			339,027,146	339,027,146
			22,492,000	22,492,000
			18,353,405	18,353,405
$ 34,955,267	$ 5,012,435	$ 330,187,488	$ 387,997,776	$ 1,001,634,707
$ 9,888,232				$ 63,464,276
653,866				13,249,401
10,530,877				13,464,407
2,196,014				80,824,932
2,119,217				4,223,945
	$ 1,770,500			1,770,500
	969,749			969,749
			$ 367,200,000	367,200,000
			2,444,371	2,444,371
			18,353,405	18,353,405
25,388,206	2,740,249		387,997,776	565,964,986
		$ 330,187,488		330,187,488
9,567,061				9,567,061
	2,272,186			2,272,186
				115,281,477
				3,131,098
				9,120,126
				(33,889,715)
9,567,061	2,272,186	330,187,488		435,669,721
$ 34,955,267	$ 5,012,435	$ 330,187,488	$ 387,997,776	$ 1,001,634,707

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STATE OF NEW HAMPSHIRE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	GOVERNMENTAL FUND TYPES				
	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)
REVENUES:					
General Property Taxes	$ 10,271,189				$ 10,271,189
Special Taxes	247,771,212	$ 103,992			247,875,204
Personal Taxes	32,723,606				32,723,606
Business License Taxes	31,216,367	67,943,510			99,159,877
Non-Business License Taxes	2,952,475	36,361,605			39,314,080
Fees	16,279,041	5,664,452			21,943,493
Fines, Penalties and Interest	14,218,946	654,537			14,873,483
Grants from Federal Government	48,072,582	243,754,068		$ 2,923,569	294,750,219
Grants from Private and Local Sources	3,404,321	22,387,361		655,643	26,447,325
Rents and Leases	3,416,736	3,324	$ 11,950		3,432,010
Interest, Premiums and Discounts	2,006,347	1,664,226	208,944		3,879,517
Sale of Commodities	3,342,448	222,975			3,565,423
Sale of Services	28,944,525	1,114,334			30,058,859
Assessments	5,916,018	19,809,879			25,725,897
Grants from Other Agencies	20,247,650	6,834,215			27,081,865
Miscellaneous	17,584,337	2,821,113			20,405,450
Total Revenues	488,367,800	409,339,591	220,894	3,579,212	901,507,497
EXPENDITURES					
General Government	114,921,364	14,094,790		581,188	129,597,342
Administration of Justice and Public Protection	74,143,469	10,555,663		13,147,722	97,846,854
Resource Protection and Development	26,488,037	12,630,816		3,252,884	42,370,937
Transportation	5,056,855	113,252,759		1,923,172	120,232,786
Health and Social Services	104,881,287	183,023,108		505,699	288,410,094
Education	71,397,631	39,931,878		7,165,908	118,495,417
Debt Service	34,351,765	16,895,787	16,360	338,651	51,602,563
Capital Outlays	6,018,389	78,254,766		1,671,537	85,944,652
Total Expenditures	437,258,757	468,638,767	16,360	28,586,761	934,500,645
Excess of Revenues Over (Under) Expenditures	51,109,043	(59,299,176)	204,534	(25,007,549)	(32,993,148)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	4,787,866	64,803,099	2,975,715	572,901	73,139,581
Enterprise Transfers In	45,891,256				45,891,256
Operating Transfers Out	(60,087,185)	(10,722,370)	(1,754,813)	(575,213)	(73,139,581)
Proceeds from Issuance of Bonds		6,500,000		47,500,000	54,000,000
Miscellaneous	496,499	6,087			502,586
Total Other Financing Sources (Uses)	(8,911,564)	60,586,816	1,220,902	47,497,688	100,393,842
Excess of Revenues and Other Sources Over Expenditures and Other Uses	42,197,479	1,287,640	1,425,436	22,490,139	67,400,694
Fund Equity (Deficit), Beginning of Year	(704,863)	42,559,405	4,260,438	(19,872,688)	26,242,292
Fund Equity End of Year	$ 41,492,616	$ 43,847,045	$ 5,685,874	$ 2,617,451	$ 93,642,986

SEE NOTES TO FINANCIAL STATEMENTS

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Proprietary Fund Type	Fiduciary Fund Type	
	Enterprise	Non Expendable Trust	Total (Memorandum Only)
Revenues:			
Sales	$ 169,412,463		$ 169,412,463
Forwarded to Legislative Funds	(4,330)		(4,330)
Total Revenues	169,408,133		169,408,133
Prizes	7,339,970		7,339,970
Cost of Goods Sold	112,223,999		112,223,999
Gross Profit	49,844,164		49,844,164
Other Operating Revenues:			
Investment Income		$ 121,317	121,317
Contributions		386,043	386,043
Other		270,847	270,847
Total Operating Revenues	49,844,164	778,207	50,622,371
Operating Expenses:			
Personnel Services	9,679,150		9,679,150
Supplies and Materials	229,593		229,593
Communications	250,751		250,751
Travel	133,310		133,310
Printing and Binding	526,843		526,843
Advertising	377,089		377,089
Commissions	679,407		679,407
Heat, Light and Power	446,842		446,842
Rent	1,274,012		1,274,012
Repairs and Alterations	495,805		495,805
Miscellaneous	504,487	82,003	586,490
Grants and Subsidies	2,035,965		2,035,965
Capital Outlays	18,890		18,890
Depreciation	830,013		830,013
Benefits and Refunds		490,113	490,113
Total Operating Expenses	17,482,157	572,116	18,054,273
Operating Income	32,362,007	206,091	32,568,098
Other Income:			
Licenses	1,984,588		1,984,588
Beer Taxes.	10,448,746		10,448,746
Miscellaneous	282,730		282,730
Total Other Income	12,716,064		12,716,064
Income Before Transfers	45,078,071	206,091	45,284,162
Transfer to General Fund / Education	(45,891,256)		(45,891,256)
Transfer to Contribution from Other Funds	813,185		813,185
Net (Loss) Income		206,091	206,091
Fund Balance --Beginning of Year		2,066,095	2,066,095
Fund Balance --End of Year	$	$ 2,272,186	$ 2,272,186

SEE NOTES TO FINANCIAL STATEMENTS

STATE OF NEW HAMPSHIRE
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Proprietary Fund Type	Fiduciary Fund Type	
	Enterprise	Non Expendable Trust	Total (Memorandum Only)
SOURCE OF FUNDS			
OPERATIONS			
Income Before Transfers and Distribution to Education and General Fund	$ 45,078,071	$ 206,091	$ 45,284,162
Items Not Requiring the Use of Working Capital:			
Depreciation	830,013		830,013
Total Financial Resources from Operations	45,903,084	206,091	46,114,175
(Increase) Decrease in Working Capital	19,242	(206,091)	(186,849)
Contributions from Other Funds	763,436		763,436
Total Source of Funds	$ 46,695,762	$	$ 46,695,762
USE OF FUNDS			
Additions to Fixed Assets	$ 804,506		$ 804,506
Transfers to General Fund	41,582,046		41,582,046
Transfer to Education	4,309,210		4,309,210
Total Use of Funds	$ 46,695,762	$	$ 46,695,762
CHANGES IN COMPONENTS OF WORKING CAPITAL			
Current Assets			
Cash and Temporary Investments	$(109,445)	$ 281,804	$ 172,359
Accounts Receivable	174,989		174,989
Due from Other Funds	390,790	(75,713)	315,077
Inventories	647,100		647,100
Total Current Assets	1,103,434	206,091	1,309,525
Current Liabilities			
Accounts Payable and Accruals	(853,490)		(853,490)
Due to Other Funds	(269,186)		(269,186)
Total Current Liabilities	(1,122,676)		(1,122,676)
Increase (Decrease) in Working Capital	$(19,242)	$ 206,091	$ 186,849

SEE NOTES TO FINANCIAL STATEMENTS

STATE OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1985

GENERAL COMMENTS

The General Purpose Combined Financial Statements include all activities and programs that are controlled by or dependent on the State's executive or legislative branches, except for the New Hampshire Water Resources Board, the New Hampshire Department of Employment Security, the New Hampshire Division of Welfare and the New Hampshire Unified Court System, which are discussed below. Control by or dependence on the State was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenue or general obligations of the State, and the State's obligation to fund any deficits that may occur.

Based on the foregoing criteria, the following activities and programs are excluded from the State's financial statements:

New Hampshire Industrial Development Authority
New Hampshire Higher Education and Health Facilities Authority
New Hampshire Housing Finance Authority
University System of New Hampshire (Other than net appropriation)
Maine - New Hampshire Bridge Authority
New Hampshire Water Resources Board (Partial)
New Hampshire Pension Trust Fund
New Hampshire Municipal Bond Bank
New Hampshire School Building Authority
New Hampshire Department of Employment Security (Partial)
New Hampshire Division of Welfare (Partial)
New Hampshire Unified Court System (Partial)
New Hampshire Deferred Compensation Plan

The financial statements of the New Hampshire Water Resources Board, include all activities except those applicable to the Board's public corporation agency fund activities. The financial statements of the New Hampshire Department of Employment Security exclude the activities of the Unemployment Compensation Trust Fund. The financial statements of the New Hampshire Division of Welfare, include all but the activities associated with the Division's Trust Fund for court-ordered support payments. The financial statements exclude the assets held in trust by the New Hampshire Unified Court System.

NOTE 1 - FINANCIAL STATEMENTS AND DESCRIPTIONS OF FUNDS AND ACCOUNT GROUPS:

A. Financial Statements:

The accompanying financial statements of the State of New Hampshire present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the changes in financial position of the enterprise fund and non-expendable trust funds.

B. Fund Accounting:

The financial activities are recorded in the individual funds described below, each of which is deemed to be a separate accounting entity. The financial position and operations of each fund are accounted for in separate self-balancing accounts which represent the fund's assets, liabilities, equity, revenues, and expenditures or expenses.

GOVERNMENTAL FUND TYPES

General Fund:

The General Fund accounts for all financial transactions not accounted for in any other fund. By law, all revenues received by any department or agency of the State, other than the New Hampshire College of Agriculture and Mechanical Arts, the University System of New Hampshire, and the building projects revolving fund of the State Board of Education and revenues received by certain independent financing authorities of the State, are paid at least weekly into the State Treasury. All such revenues, other than the designated revenues described below, are credited to the General Fund. Annual expenditures for all state activities and functions not allocated by law to other funds are charged to the General Fund.

Special Revenue Funds:

The Special Revenue Funds include the following:

Highway Fund: Under the State Constitution, all revenue in excess of the necessary cost of collection and administration accruing to the State from motor vehicle registration fees, operators' licenses, gasoline road toll or any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels are appropriated and used exclusively for the construction, reconstruction and maintenance of public highways and for the payment of the interest and principal of bonds issued for highway purposes.. All such revenues, together with federal grants in aid received by the State for highway purposes are credited to the Highway Fund. Turnpike tolls are applied to turnpike operations and to the payment of outstanding bonds of the turnpike system. While the principal and interest on State highway bonds is charged to the Highway Fund, the assets of such funds are not pledged to such bonds.

Fish and Game Fund: The operations of the State Fish and Game Department, including the operation of fish hatcheries, inland and marine fisheries and wildlife areas, and functions related to law enforcement, land acquisition, and wildlife management and research, are financed through the Fish and Game Fund. Principal revenues of this fund include fees from fish and game licenses, the marine gas tax, penalties and recoveries, and federal grants in aid related to fish and game management, all of which is appropriated annually by the legislature for the use of the Fish and Game Department.

Special Fund: The State allocates to the Special Fund expenditures for and revenues of programs which, by statute, operate primarily from specific program revenues or from federal grants in aid, including the State Welfare programs, education assistance programs and the Department of Employment Security. Also credited to the Special Fund are tolls collected on the New Hampshire Turnpike System which, after deduction of costs of operation and maintenance of the turnpike, are transferred to the Debt Service Fund for the payment of debt service on turnpike bonds.

Debt Service Fund:

Transactions related to the net resources obtained from turnpike operations, forest conservation and state office buildings are accumulated and used for the payment of principal and interest on long-term general obligation bonds for these activities. The remainder of debt service for the State of New Hampshire long-term general obligations are appropriated and paid from the General Fund, Highway Fund and Special Fund, since there are no sinking fund requirements on these obligations.

Capital Projects Fund:

The State records in the Capital Projects Fund certain capital improvement appropriations which are or will be primarily funded by the issue of State bonds or notes, other than bonds and notes for highway or turnpike purposes, or by the application of certain federal matching grants. Also recorded in this Fund are capital improvement appropriations issued by the State for the purpose of funding capital improvements for the University System of New Hampshire (USNH). As detailed in Note 6, certain USNH bonds are classified as self-liquidating. The debt service requirements are funded by USNH by way of direct payments to the State Treasurer and are recorded in the General Fund.

PROPRIETARY FUND TYPE

The Proprietary Fund includes the following:

Enterprise Fund:

The Enterprise Funds was established in fiscal 1975-1976 to account for the self-supporting activities of State governmental units which render services on a user-charge basis to the general public. The State Liquor Commission and the Sweepstakes Commission are reported in this fund.

Liquor Commission: Income from operations of the Liquor Commission is transferred to the General Fund on a daily basis. The General Fund advances cash to the Liquor Commission for the purchase of liquor inventory.

Liquor Sales and Distribution: By statute, all liquor and beer sold in New Hampshire must be sold through a sales and distribution system operated by the State Liquor Commission comprised of three members appointed by the Governor with the consent of the Council. The Commission makes all liquor purchases directly from the manufacturers and importers and operates State Liquor stores in cities and towns that accept the provisions of the local option law. The Commission is authorized to lease and equip stores, warehouses and other merchandising facilities for liquor sales, to supervise the construction of State-owned liquor stores at various locations in the State, and to sell liquor through retail outlets as well as direct sales to restaurants, hotels and other organizations. The Commission also charges permit and license fees for the sale of beer through private distributors and retailers plus a tax on beer sold by such retailers at the rate of 30 cents per gallon.

Sweepstakes Commission: The State conducts daily and weekly lotteries throughout the State through tickets sold by or on behalf of the State Sweepstakes Commission in State liquor stores, at horse and dog race tracks and at specified retail outlets in the State. Receipts from the sale of such tickets are reported in the Enterprise Fund. The excess revenues after expenses of the Commission are transferred to the Department of Education in the General Fund.

Internal Service Funds:

Internal Service Funds are not maintained at this time, since activities which would be accounted for in an Internal Service Fund are not material. Currently, the General Fund accounts for the operations of State agencies or departments which provide goods or services to other agencies or departments of the governmental unit on a cost reimbursement basis.

FIDUCIARY FUND TYPES

Transactions related to assets held by the State in a trustee or agency capacity are accounted for in fiduciary fund types. Fiduciary fund types are comprised of non-expendable trust funds, which account for assets received and expended by the State as trustee, and agency funds, which account for assets received by the State as agent.

ACCOUNT GROUPS

Long-Term Debt:

Activities related to general government unmatured long-term general obligation bonds payable, water pollution contract obligations and cumulative liability for compensated absences are reflected in the long-term debt account group.

General Fixed Assets:

Governmental general fixed assets are recorded on the statements at the best estimates of historical costs based on records available.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The accounts of all Governmental Funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and assets are recognized when measurable and available to finance operations during the year; expenditures and liabilities are recognized when obligations are incurred as a result of receipt of goods or services, except that is interest on long-term debt is recognized as an expenditure when it becomes payable.

The accounts of the enterprise fund are maintained and reported on the accrual basis of accounting.

Combined Balance Sheet: Interpretation of "Total" Column

Amounts in the "Total" column represent the mathematical summing of the combined balance sheet line items of the fund types and account groups included therein. Because these fund types and account groups utilize different bases of accounting and include both restricted and unrestricted assets and fund equities, amounts in the "Total" column do not necessarily represent comparable total resources available for spending or appropriation. The "Total" column includes an amount which, while classified as an asset, is not an asset in the usual sense. For example, the caption "Amount to be provided" represents only the amount of future revenues required to liquidate existing debt recorded in the long-term account group.

Temporary Investments:

Temporary Investments are stated at cost which approximates market value. Included in temporary investments for the Trust and Agency Funds are securities with a book value of $1,126,652 at June 30, 1985 stated at cost. The approximate market value of these investments is $2,196,709 at June 30, 1985.

Federal Funds Obligated Not Currently Reimbursable:

The balance of $75,339,934 at June 30, 1985 in this account reflects Highway Federal Aid funds obligated to the State from the Federal Highway Trust Fund. The State appropriates and encumbers the total amount of the cost of highway projects in order that long-term contractual commitments may be executed. Federal Funds Obligated Not Currently Reimbursable represents that portion of the amounts encumbered that will be reimbursed by the Federal Government.

Since the Highway Federal Aid contracts require the State to expend funds and then be reimbursed, the earning process is not complete until the State expends, rather than encumbers the funds. Accordingly, the amount is recorded as deferred revenue until the State expends its funds.

Inventories:

Consumable inventories with the exception of sweepstakes game tickets are stated at average cost. Sweepstakes game tickets are stated at the lower of cost (first-in, first-out method) or market.

Fixed Assets:

Governmental general fixed assets shown on the statements have been reported at the best estimates of historical costs based on records available. The State is in the process of implementing a fixed asset reporting system. Interest cost incurred during construction and infrastructure fixed assets including bridges and highways are not capitalized. Depreciation is not recorded on general fixed assets. Fixed assets in the Enterprise Fund are recorded at cost. Depreciation is recorded on the straight-line method based on the estimated useful lives of the assets as follows:

Buildings 25 to 40 years

Leasehold Improvements 6 years

Equipment 3 to 10 years

Fixed assets purchased or constructed by other funds for the Enterprise Fund are recorded at cost as an increase to Contributions from Other Funds.

Maintenance and repairs are charged to operations when incurred. Expenditures which materially increase values, change capacities or extend useful lives are capitalized.

Encumbrances:

Contracts and purchasing commitments are recorded as encumbrances when the contract or purchase order is executed. Upon receipt of goods or services the encumbrance is liquidated and the expenditure and liability are recorded. Unliquidated encumbrances are reported in the reserve for encumbrance account.

Interfund and Intrafund Transactions:

The State accounts for interfund and intrafund transactions as described below.

Reimbursements - Various departments charge fees on a user basis for such services as centralized data processing, accounting and auditing, purchasing, personnel and maintenance. These fees are recorded as revenue by the servicing department and as expenditures by the user department.

Interfund receivables and payables consist of the following at June 30, 1985:

General Fund	
Due From:	
Enterprise Fund	
Liquor Commission	$ 10,530,877
Due To:	
Special Revenue Fund	$ 2,188,165
Enterprise Fund	
Sweepstakes Commission	390,790
Trust and Agency Fund	354,575
	$ 2,933,530
Special Revenue Fund	
Due From:	
General Fund	$ 2,188,165
Enterprise Fund - Liquor Commission	
Due To:	
General Fund	$ 10,530,877
Enterprise Fund - Sweepstakes Commission	
Due From:	
General Fund	$ 390,790
Trust and Agency Fund	
Due From:	
General Fund	$ 354,575

Capital Projects:

The State records the resources obtained and used for the acquisition, construction or improvement of certain capital facilities in the Highway Fund and the Capital Projects Fund. Encumbrances are recorded when contracts are executed. Expenditures are recorded, and encumbrances are liquidated, as incurred.

Resources obtained to finance capital projects include Federal grants, short-term bond anticipation notes, and general obligation bonds. Revenue recognition of Federal grants as discussed under the caption Grants. Short-term bond anticipation notes are recorded as a liability. General obligation bonds are recorded as a liability in the Long-Term Debt Account Group, and as revenue in the Highway Fund and the Capital Projects Fund when the proceeds are received.

Since expenditures are recorded as incurred, and the proceeds of bonds are recorded when received, which is normally after the project has been completed, the Undesignated Surplus in the Highway Fund and the Capital Projects Fund reflect a deficit.

Capital projects of the University System are recorded in the Capital Projects Fund until completion of the project. Upon issuance of the general obligation bonds the liability and amounts to be provided for payment of the bonds are recorded in the Long-Term Debt Account Group. The State pays all debt service on these bonds. However, the State is reimbursed by the University System for the debt service on self-amortizing bonds.

Lease Commitments:

The State has lease commitments which extend forward a number of years. However, these leases are subject to continuing appropriations and may therefore be terminated without any penalty if funds are not appropriated. Rent expenditures under long and short-term agreements, for all funds, for fiscal 1985 amounted to $17,790,500. Agreements which are in substance capital leases are not considered material to the State's financial statements.

Annual Leave and Sick Leave:

Every continuing full-time employee in the State classified service is entitled to annual and sick leave with full pay on the basis of the employees scheduled work week and years of service. Annual and sick leave is computed at the end of each completed month of service. Employees rendering seasonal or temporary service in excess of six months shall be entitled to annual and sick leave at the same rate for time actually worked.

Annual and sick leave is cumulative for not more than the prescribed days and will not lapse. The maximum annual accrual ranges from 15 to 21 days for annual leave and 15 days for sick leave. The maximum cumulative accrual ranges from 30 to 40 days for annual leave and from 90 to 120 days for sick leave. Additional annual leave ("Bonus Days") is earned for each three month period during which time the employee does not utilize any sick leave. The maximum annual accrual is four days. There is no limit on the cumulative accrual for "Bonus Days".

The State's cumulative liability which amounted to $18,353,405 for governmental fund types was recorded in 1985 in the General Long Term Debt Account Group. The liability for the proprietary fund types amounts to $1,146,362 for Liquor and $119,974 for Sweepstakes at June 30, 1985.

Grants:

Certain federal grants, made on the basis of entitlement periods, are recorded as receivables and revenues when entitlement occurs. Other federal grants made on a reimbursement basis, with the exception of highway projects, are recorded as receivables and revenues when the related expenditures are incurred. Federal grants for highway projects are recorded as Federal Funds Obligated Not Currently Reimbursable and deferred revenue when the funds are encumbered, and as a receivable and revenue when the expenditures are incurred.

Budget Control and Reporting:

By statute the Governor submits to the Legislature a biennial budget for the following two fiscal years. This budget consists of three parts: Part I is the Governor's program for meeting all expenditure needs as well as estimating revenues to be received. There is no constitutional or statutory requirement that the Governor propose or the Legislature adopt a budget that does not resort to borrowing. Part II is a detailed breakdown of the budget at the department level for appropriations to meet the expenditure needs of the government. Part III consists of draft appropriation bills for the appropriations made in the proposed budget.

In addition to the enacted biennial budget, the Governor may submit supplemental appropriation requests necessary to meet expenses due to laws enacted subsequent to the general budget appropriation.

Financial control procedures are maintained by both the executive and legislative branches of government. The executive department represented by the Commissioner, Administrative Services is directed to continually monitor the State's financial operations, needs, and resources, and to maintain a system of governmental cost accounting. The legislative department, represented by the Fiscal Committee, the Joint Legislative Capital Budget Overview Committee, and the Office of the Legislative Budget Assistant monitors compliance with the budget and the effectiveness of budgeted programs.

The State has not presented a Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General and Special Revenue Fund Types, as required by generally accepted accounting principles for the following reasons:

A. While unrestricted revenue is budgeted by source, restricted revenue is budgeted by agency. In order to present a meaningful budget-actual comparison of revenue, the revenue source would have to be identified for restricted revenue. It is not practicable at this time to determine the restricted revenue sources.

B. Appropriations for the current expenditures constitute spending authorizations for the current year. Unexpended appropriations which do not lapse are carried over to the succeeding year and also constitute spending authorization for the current year. It is not practicable at this time to determine those actual expenditures that apply to current year appropriations and those expenditures that apply to the unexpended balance of prior years' appropriations which did not lapse.

C. There are various programs for which revenues and expenditures are not budgeted. These programs are primarily to account for Federal Grants where the State acts as a conduit to pass these funds through to the sub-grantee. It is not practicable at this time to segregate the revenues and expenditures on these programs.

D. The Governor, with the consent of the Executive Council, is authorized to accept various grants which do not require State funding. These grants are not included in the original budget, and when accepted they are budgeted by agency and not by revenue source. It is not practicable at this time to determine the restricted revenue sources.

NOTE 3 - RECONCILIATION OF FUND EQUITY:

The following schedule reconciles fund equity of the various funds at June 30, 1985 between the budgetary method and generally accepted accounting principles (GAAP)

	Governmental Fund Types				
		Special Revenue Funds			
	General	Highway	Fish & Game	Special	Debt Service
Fund equity at June 30, 1985 (Budgetary Method)	$ 65,671,656	$ 201,130,203	$ 1,284,761	$ 7,130,064	$ 5,685,874
Adjustments and Reclassifications:					
Accounts Receivable	3,286,424	2,086,529	111,688	15,613,736	
Accounts payable and accrued expenses	(20,074,688)	(9,989,752)	(289,854)	(18,677,605)	
Deferred revenues on Federal Funds Obligated Not Currently Reimburseable		(72,690,272)			
Due to Trust Funds	(354,575)				
Adjust Enterprise transfer to General Fund	(3,348,036)				
Adjust Enterprise Capital Addition					
Adjust Special Fund lapses to General Fund	(2,188,165)			2,188,165	
Bonds authorized and unissued	(1,500,000)	(84,050,618)			
Additional Trust and Agency Funds					
Reclassify due to other taxing units					
Fund equity at June 30, 1985 (GAAP)	$ 41,492,616	$ 36,486,090	$ 1,106,595	$ 6,254,360	$ 5,685,874

	Proprietary Fund Type	Fiduciary Fund Type		Total
Capital Project	Enterprise	Trust & Agency	Account Group General Fixed Assets	(Memorandum Only)
$ 78,000,667	$ 9,158,817	$ 3,046,927	$ 330,187,488	$ 701,296,457
86,281	(1,595,564)			19,589,098
(1,712,281)	(1,752,472)			(52,496,652)
				(72,690,272)
				(354,575)
	3,348,036			
	408,244			408,244
(73,757,216)				(159,307,834)
		995,759		995,759
		(1,770,500)		(1,770,500)
$ 2,617,451	$ 9,567,061	$ 2,272,186	$ 330,187,488	$ 435,669,721

NOTE 4 - CASH AND TEMPORARY INVESTMENTS:

The State pools substantially all cash and investments, except for separate cash and investment accounts which are maintained in accordance with legal restrictions.

Each fund's equity share of the total pooled cash and investments is included on the accompanying balance sheets under the caption "Cash and Temporary Investments".

	Cash In Banks	Cash In Transit	Temporary Investments	Total
Governmental Fund Types				
- General	$(9,515,929)	$ 2,728,044	$ 37,517,794	$ 30,729,909
- Special Revenue	(4,054,092)	674,370	33,121,521	29,741,799
- Debt Service	2,685,874	-0-	3,000,000	5,685,874
- Capital Projects	3,370,659	-0-	-0-	3,370,659
Sub Total	(7,513,488)	3,402,414	73,639,315	69,528,241
Proprietary Fund Type				
- Enterprise Fund	688,363	2,391,869	531,785	3,612,017
Fiduciary Fund Type				
- Trust and Agency	3,029,357	-0-	1,628,503	4,657,860
Total	$(3,795,768)	$ 5,794,283	$ 75,799,603	$ 77,798,118

	Cash In Banks	Cash In Transit	Temporary Investments	Total
Balance per Bank	$ 22,698,217	$ -0-	$ 75,799,603	$ 98,497,820
Outstanding Checks & Adjustments	(26,493,985)	5,794,283	-0-	(20,699,702)
Balance per Treasurer	$(3,795,768)	$ 5,794,283	$ 75,799,603	$ 77,798,118

NOTE 5 - ACCOUNTS RECEIVABLE:

Included in accounts receivable are the following taxes receivable:

	General Fund	Special Revenue Fund	Enterprise Fund	Total
Meals and Room	$ 5,411,612			$ 5,411,612
Business Profits	5,509,966			5,509,966
Tobacco	2,439,194			2,439,194
Estate and Legacy	1,697,582			1,697,582
Real Estate Transfer	2,579,978			2,579,978
Interest and Dividends	476,022			476,022
Gasoline Road Toll	8,206	$ 10,204,299		10,212,505
Beer			$ 936,875	936,875
	$ 18,122,560	$ 10,204,299	$ 936,875	$ 29,263,734

Also included in Accounts Receivable are the following federal receivables:

General Fund.	$ 4,598,691
Special Revenue Fund.	32,463,269
Capital Projects Fund	1,471,653
	$ 38,533,613

NOTE 6 - BONDS PAYABLE:

Bonds authorized and unissued amounted to $159,307,834 at June 30, 1985. The proceeds of the bonds will be applied to the following funds when issued:

General Fund	$ 1,500,000
Highway Fund	84,050,618
Capital Fund	73,757,216
	$ 159,307,834

On February 1, 1985 the State issued general obligation capital improvement bonds in the amount of $54,000,000 at interest rates ranging from 7.75% to 9.0%. The maturity dates of the bonds range from April 1, 1986 through February 1, 2005.

All bonds issued by the State are general obligation bonds which are backed by the full faith and credit of the State. Interest rates on these issues ranges from 1.4% to 10.7%. The anticipated source of repayment and annual maturities are as follows:

NOTE 6 - BONDS PAYABLE (Continued):

($000's Omitted)

				SOURCE OF PRINCIPAL PAYMENTS					
						DEBT SERVICE FUNDS			
Payable June 30,	Principal	Interest	Total	General Fund	Highway Fund	Central Turnpike	Eastern Turnpike	U.N.H. Self Liquidating	Total
1986	$ 28,080	$ 27,842	$ 55,922	$ 17,273	$ 4,900	$ 1,950	$ 2,400	$ 1,557	$ 28,080
1987	25,990	25,220	51.210	16,790	4,900	700	2,000	1,600	25,990
1988	24,710	23,403	48,113	16,092	3,900	800	2,300	1,618	24,710
1989	23,835	21,641	45,476	15,842	3,200	800	2,300	1,693	23,835
1990	24,225	19,918	44,143	15,762	3,200	1,350	2,300	1,613	24,225
1991	24,365	18,166	42,531	15,809	3,200	1,350	2,400	1,606	24,365
1992	21,115	16,431	37,546	14,325	1,900	1,350	2,450	1,090	21,115
1993	21,085	14,884	35,969	14,285	1,900	1,350	2,450	1,100	21,085
1994	21,025	13,326	34,351	14,260	1,900	1,350	2,450	1,065	21,025
1995	19,075	11,818	30,893	13,370	700	1,350	2,550	1,105	19,075
1996	17,675	10,388	28,063	12,620	50	1,350	2,550	1,105	17,675
1997	16,480	9,068	25,548	11,431	50	1,350	2,550	1,099	16,480
1998	15,025	7,808	22,833	10,231	50	1,350	2,550	844	15,025
1999	13,850	6,613	20,463	9,006	50	1,350	2,550	894	13,850
2000	12,750	5,469	18,219	7,906	50	1,350	2,550	894	12,750
2001	12,500	4,384	16,884	7,656	50	1,350	2,550	894	12,500
2002	9,870	3.325	13,195	5,375	50	1,350	2,550	545	9,870
2003	9,885	2,509	12,394	5,375	50	1,350	2,550	560	9,885
2004	8,085	1,788	9,873	3,575	50	1,350	2,550	560	8,085
2005	5,985	1,227	7,212	1,975		1,100	2,550	360	5,985
2006	4,010	826	4,836			1,100	2,550	360	4,010
2007	2,890	573	3,463			1,100	1,550	240	2,890
2008	1,640	387	2,027			800	750	90	1,640
2009	1,550	264	1,814			800	750		1,550
2010	750	145	895				750		750
2011	750	73	823				750		750
	$ 367,200	$ 247,496	$ 614,696	$ 228,958	$ 30,150	$ 29,400	$ 56,200	$ 22,492	$ 367,200
Amount available for retirement of debt						5,681			5,681
Amount to be provided by U.N.H. for retirement of bonds								22,492	22,492
Amount to be provided for retirement of debt				$ 228,958	$ 30,150	$ 23,719	$ 56,200	$	$ 339,027

NOTE 7 - WATER POLLUTION CONTRACTS PAYABLE:

The State has contracted with various communities to finance the construction of municipal water pollution control projects. The anticipated source of repayment of this liability is the General Fund. Annual maturities are as follows:

Payable by June 30,	(000's Omitted) Amount
1986	$ 364
1987	351
1988	339
1989	328
1990	316
1991	305
1992	224
1993	217
	$ 2,444

NOTE 8 - CHANGES IN THE LONG-TERM DEBT ACCOUNT GROUP:

Changes in the long-term debt account group for the year ended June 30, 1985 are summarized below.

	Bonds Payable	Water Pollution Contracts Payable	Compensated Absences Payable
Balance July 1, 1984	$ 337,810,000	$ 2,820,384	$ 16,560,000
Bond Issuances	54,000,000		-
Bond Principal Retirements	(24,610,000)	(376,013)	
Net Increase in accrued annual leave			1,793,405
Balance June 30, 1985	$ 367,200,000	$ 2,444,371	$ 18,353,405

NOTE 9 - PENSION PLANS:

The State of New Hampshire participates in the New Hampshire Retirement System ("the Plan"). The Plan is a defined-benefit, contributory retirement plan covering substantially all employees of the State teaching and professional staff of the public school system and permanent policemen and firemen. Employees of political subdivisions are also eligible to participate in the Plan, provided the governing body of such political subdivision has elected coverage. The Plan provides retirement, disability and death benefits according to predetermined formulas. Employees contribute a fixed percentage of annual compensation. The annual contribution required to cover that amount of normal cost not met by the employees' contributions is determined biennially by the Plan's actuary. The State funds 100% of the normal cost for all state employees and 35% of the normal cost for teachers, policemen and firemen employed by political subdivisions. The state does not participate in funding the normal cost of other political subdivision employees.

The most recent actuarial valuation of the Plan was made as of June 30, 1984 and was computed using the June 30, 1983 actuarial valuation and the June 30, 1985 forecast valuation. At June 30, 1984 the unfunded prior service cost of the Plan amounted to $19,541,375. Prior service costs are being amortized over a 20-year period. The State is funding 100% of the annual funding of the past service cost related to State employees, policemen and firemen and 35% of the teachers' annual funding.

The State's actuary estimates the actuarial present value of plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the members to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

NOTE 9 - PENSION PLANS: (Continued)

The accumulated Plan benefit information as of June 30, 1984, computed using the June 30, 1983 actuarial valuation and the June 30, 1985 forecast valuation is as follows:

Present value of vested benefits:	
For beneficiaries receiving payments and former members entitled to deferred allowances	$ 206,566,000
For other members	202,729,000
	409,295,000
Present value of nonvested benefits	51,937,000
	$ 461,232,000
Unfunded prior service liability	$ 19,541,000
Assets available for benefits	$ 540,132,000

Actuarial computations were made using the projected benefit method with aggregate level normal cost and frozen prior service liability. Gains and losses are spread over the average future careers of active members. The assumed rate of return for calculating accumulated plan benefits is 8%.

The provision reflected in the financial statements of the State for the fiscal year ended June 30, 1985 amounted to $9,879,507.

In addition to providing pension benefits, the State provides certain health care insurance benefits for retired employees. Substantially all of the State's employees may become eligible for those benefits if they reach normal retirement age while working for the State and receive their pension on a periodic basis rather than a lump sum. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on the benefits paid during the year. The State recognizes the cost of providing those benefits by expensing the annual insurance premiums, which were approximately $2 million for State retirees receiving a periodic pension benefit for the fiscal year ended June 30, 1985.

NOTE 10 - CONTINGENT AND LIMITED LIABILITIES:

Bonds and First Mortgages:

The State of New Hampshire is contingently liable for bonds sold by municipalities, school districts and for first mortgages on industrial and recreational property which contain the guarantee of the State of New Hampshire and amount to $152,973,690. The following table shows the composition of contingent and limited liabilities as of June 30, 1985.

	Principal	Interest	Total
Water Pollution Control, RSA: 149-5 (Supplement) (Legal Limit $225,000,000)	$ 85,111,645	$ 44,259,532	$129,371,177
N. H. School Building Authority RSA 195-C (Supplement) (Legal Limit $40,000,000)	15,618,500	5,623,040	21,241,540
Water Resources Board RSA 481 (Legal Limit $5,000,000)	480,000	68,318	548,318
Industrial Development Authority RSA 162 - A:14-a (Legal Limit $17,000,000)	1,812,655		1,812,655
Total	$ 103,022,800	$ 49,950,890	$152,973,690

The State of New Hampshire has a limited liability for the New Hampshire Housing Finance Authority and the New Hampshire Municipal Bond Bank. Both entities are required to maintain a bond reserve fund. A request for an appropriation may be submitted to the legislature for a sum required to maintain the bond reserve fund at the established bond reserve fund requirements. Amounts so requested are subject to appropriation by the legislature and do not constitute a debt of the State.

The State receives federal grants which are subject to review and audit by the grantor agencies. Although these audits could result in expenditure disallowances under the terms of the grants, it is believed that required reimbursements would not have a material effect on the financial statements.

NOTE 11 - LITIGATION:

The State, its agencies and employees are defendants in numerous lawsuits involving such matters as funding for social welfare programs, contract claims and negligence. Although the Attorney General is unable to predict the ultimate outcome of the majority of these suits which seek between $60 million and $75 million, in the opinion of the Attorney General and the Commissioner of Administrative Services, the likelihood of such litigation resulting, either individually or in the aggregate, in final judgments against the State which would materially affect its financial position is remote. Accordingly, no provision for the ultimate liability, if any, has been made in the financial statements.

NOTE 12 - GOVERNMENTAL FUND SURPLUS (DEFICIT):

General Fund Surplus (Deficit):

The State's General Fund undesignated deficit of $(24.4) million at June 30, 1984 was eliminated and a surplus of $21.9 million was recorded at June 30, 1985. The surplus results from increased revenues in excess of accrued expenditures. A plan was adopted, on a budgetary basis, by the Legislature on June 30, 1983 as part of the General Fund budget for the fiscal year 1984-85 biennium to substantially decrease the deficit by the end of the biennium.

Highway Fund and Capital Fund (Deficits):

The State's Highway Fund and Capital Fund undesignated deficits were $(34.6) million and $(47.3) million at June 30, 1984 compared to $(44.4) million and $(6.2) million at June 30, 1985, respectively.

These deficits exist because capital projects expenditures are recorded as incurred, and the proceeds of bonds to finance these expenditures are recorded when received which is normally after the project has been completed.

Deficits will continue to exist for these funds until the State changes the present policy to bond capital projects before capital projects expenditures are incurred.

NOTE 13 - SEGMENT INFORMATION:

Segment financial information for the State's Enterprise Fund for the year ended June 30, 1985 is presented below.

	Liquor Commission	Sweepstakes Commission	Total
Operating Revenues (Net of cost of goods sold for Liquor Commission)	$ 42,051,456	$ 7,792,708	$ 49,844,164
Depreciation Expense	813,185	16,828	830,013
Operating Income	28,162,182	4,199,825	32,362,007
Operating Interfund Transfers In (out)	(41,582,046)	(4,309,210)	(45,891,256)
Tax Revenue	10,448,746	-0-	10,448,746
Net Income (Loss)	(813,185)	-0-	(813,185)
Fixed Assets Additions (Disposals)	702,712	36,070	738,782
Net Working Capital	-0-	(56,899)	(56,899)
Total Assets	32,793,127	2,162,140	34,955,267
Long Term Liabilities Outstanding	-0-	-0-	-0-
Total Equity	$ 9,567,061	$ -0-	$ 9,567,061

NOTE 14 - SUBSEQUENT EVENTS:

General Obligation Refunding Bonds:

The State issued $154,525,000 of General Obligation Refunding Bonds, dated July 15, 1985, to provide advance refunding of $150,350,000 general obligation bonds issued by the State in 1981, 1982 and 1983. The interest rates on the refunding issue ranged from 6.625% to 8.50%. The State will realize a net expected savings of $9.9 million over the life of the issue.

Tri-State Lottery Program:

Chapter 53, Laws of 1985 authorized New Hampshire participation with Maine and Vermont to form the Tri-State Lotto Commission to administer the Tri-State Megabucks lottery program. Ticket sales started September 3, 1985.

COMBINING FINANCIAL STATEMENTS

STATE OF NEW HAMPSHIRE
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 1985

ASSETS	Highway Fund	Fish and Game Fund	Special Fund	Total
Cash and Temporary Investments	$ 32,272,170	$ 980,846	$(3,511,217)	$ 29,741,799
Accounts Receivable	22,695,460	507,539	29,397,762	52,600,761
Federal Funds Obligated Not Currently Reimbursable	75,339,934			75,339,934
Due from Other Funds			2,188,165	2,188,165
Inventories	677,709			677,709
Total Assets	$ 130,985,273	$ 1,488,385	$ 28,074,710	$ 160,548,368
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts Payable	$ 15,808,017	$ 180,519	$ 19,535,082	$ 35,523,618
Accrued Payroll	1,843,937	201,271	1,856,774	3,901,982
Deferred Revenue	76,847,229		428,494	77,275,723
Total Liabilities	94,499,183	381,790	21,820,350	116,701,323
FUND EQUITY:				
Fund Balance:				
Reserve for Encumbrances	80,253,687	119,809	17,320,190	97,693,686
Reserve for Inventories	677,709			677,709
Designated		783,355		783,355
Undesignated Surplus (Deficit)	(44,445,306)	203,431	(11,065,830)	(55,307,705)
Total Fund Equity	36,486,090	1,106,595	6,254,360	43,847,045
Total Liabilities and Fund Equity	$ 130,985,273	$ 1,488,385	$ 28,074,710	$ 160,548,368

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	HIGHWAY FUND	FISH AND GAME FUND	SPECIAL FUND	TOTAL
REVENUES:				
Special Taxes			$ 103,992	$ 103,992
Business License Taxes	$ 67,943,510			67,943,510
Non-Business License Taxes	32,812,243	$ 3,549,362		36,361,605
Fees	5,434,668	85,810	143,974	5,664,452
Fines, Penalties and Interest	271,069	50,389	333,079	654,537
Grants from Federal Government	68,688,019	1,169,800	173,896,249	243,754,068
Grants from Private and Local Sources	3,692,336	109,429	18,585,596	22,387,361
Rents and Leases	3,324			3,324
Interest, Premiums and Discounts	1,431,322	48,721	184,183	1,664,226
Sale of Commodities	32,677	149,634	40,664	222,975
Sale of Services	812,920	13,908	287,506	1,114,334
Assessments			19,809,879	19,809,879
Grants from Other Agencies	45,527	218,834	6,569,854	6,834,215
Miscellaneous	585,931	594,856	1,640,326	2,821,113
Total Revenues	181,753,546	5,990,743	221,595,302	409,339,591
EXPENDITURES				
General Government			14,094,790	14,094,790
Administration of Justice and Public Protection	790,769		9,764,894	10,555,663
Resource Protection and Development		5,477,144	7,152,872	12,630,016
Transportation	106,445,771		6,806,988	113,252,759
Health and Social Services			183,023,108	183,023,108
Education			39,931,878	39,931,878
Debt Service	6,597,212		10,298,575	16,895,787
Capital Outlays	74,000,498	442,733	3,811,535	78,254,766
Total Expenditures	187,834,250	5,919,877	274,884,640	468,638,767
Excess of Revenues Over (Under) Expenditures	(6,080,704)	70,866	(53,289,338)	(59,299,176)
OTHER FINANCING SOURCES (Uses):				
Operating Transfers In	1,268,849	53,979	63,480,271	64,803,099
Operating Transfers Out	(1,659,569)		(9,062,801)	(10,722,370)
Proceeds from Issuance of Bonds	6,500,000			6,500,000
Miscellaneous	6,087			6,087
Total Other Financing Sources (Uses)	6,115,367	53,979	54,417,470	60,586,816
Excess of Revenues and Other Sources Over Expenditures and Other Uses	34,663	124,845	1,128,132	1,287,640
Fund Equity, Beginning of Year	36,451,427	981,750	5,126,228	42,559,405
Fund Equity, End of Year	$ 36,486,090	$ 1,106,595	$ 6,254,360	$ 43,847,045

STATE OF NEW HAMPSHIRE
COMBINING BALANCE SHEET - PROPRIETARY FUNDS
JUNE 30, 1985

	Liquor Commission	Sweepstakes Commission	Totals
ASSETS			
Cash and Temporary Investments	$ 2,394,216	$ 1,217,801	$ 3,612,017
Accounts Receivable	2,157,090	116,737	2,273,827
Due from Other Funds		390,790	390,790
Inventories	18,674,760	379,913	19,054,673
Land	1,402,146		1,402,146
Land Improvements	525,611		525,611
Buildings	6,348,219		6,348,219
Leasehold Improvements	485,411		485,411
Equipment	5,260,363	184,341	5,444,704
Less: Allowance for Depreciation and Amortization	(4,454,689)	(127,442)	(4,582,131)
Total Assets	$ 32,793,127	$ 2,162,140	$ 34,955,267
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Accounts Payable	$ 9,357,710	$ 530,522	$ 9,888,232
Accrued Payroll	595,554	58,312	653,866
Deferred Revenue	1,595,563	600,451	2,196,014
Other Liabilities	1,146,362	972,855	2,119,217
Due to Other Funds	10,530,877		10,530,877
Total Liabilities	23,226,066	2,162,140	25,388,206
FUND EQUITY:			
Contribution from Other Funds	9,567,061		9,567,061
Total Fund Equity	9,567,061		9,567,061
Total Liabilities and Fund Equity	$ 32,793,127	$ 2,162,140	$ 34,955,267

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Proprietary Fund Type		Fiduciary Fund Type	
	Liquor Commission	Sweepstakes Commission	Non Expendable Trust	Total (Memorandum Only)
Revenues:				
Sales	$ 154,279,785	$ 15,132,678		$ 169,412,463
Forwarded to Legislative Funds	(4,330)			(4,330)
Total Revenues	154,275,455	15,132,678		169,408,133
Prizes		7,339,970		7,339,970
Cost of Goods Sold	112,223,999			112,223,999
Gross Profit	42,051,456	7,792,708		49,844,164
Other Operating Revenues:				
Investment Income			$ 121,317	121,317
Contributions			386,043	386,043
Other			270,847	270,847
Total Operating Revenues	42,051,456	7,792,708	778,207	50,622,371
Operating Expenses:				
Personnel Services	8,628,988	1,050,162		9,679,150
Supplies and Materials	144,634	84,959		229,593
Communications	171,467	79,284		250,751
Travel	73,656	59,654		133,310
Printing and Binding	35,521	491,322		526,843
Advertising	102,349	274,740		377,089
Commissions		679,407		679,407
Heat, Light and Power	446,376	466		446,842
Rent	1,175,422	98,590		1,274,012
Repairs and Alterations	495,805			495,805
Miscellaneous	255,556	248,931	82,003	586,490
Grants and Subsidies	1,527,425	508,540		2,035,965
Capital Outlays	18,890			18,890
Depreciation	813,185	16,828		830,013
Benefits and Refunds			490,113	490,113
Total Operating Expenses	13,889,274	3,592,883	572,116	18,054,273
Operating Income	28,162,182	4,199,825	206,091	32,568,098
Other Income:				
Licenses	1,984,588			1,984,588
Beer Taxes	10,448,746			10,448,746
Miscellaneous	173,345	109,385		282,730
Total Other Income	12,606,679	109,385		12,716,064
Income Before Transfers	40,768,861	4,309,210	206,091	45,284,162
Transfer to General Fund / Education	41,582,046	4,309,210		45,891,256
Transfer to Contributions from Other Funds	(813,185)			(813,185)
Net (Loss) Income			206,091	206,091
Fund Balance - Beginning of Year			2,066,095	2,066,095
Fund Balance - End of Year	$	$	$ 2,272,186	$ 2,272,186

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Proprietary Fund Type		Fiduciary Fund Type	
	Liquor Commission	Sweepstakes Commission	Non Expendable Trust	Total (Memorandum Only)
SOURCE OF FUNDS				
OPERATIONS				
Income Before Transfers to General Fund/Education	$ 40,768,861	$ 4,309,210	$ 206,091	$ 45,284,162
Items Not Requiring the Use of Working Capital:				
Depreciation	813,185	16,328		830,013
Total Financial Resources from Operations	41,582,046	4,326,038	206,091	46,114,175
Decrease (Increase) in Working Capital		19,242	(206,091)	(186,849)
Contributions from Other Funds	768,436			768,436
Total Source of Funds	$ 42,350,482	$ 4,345,280	$	$ 46,695,762
USE OF FUNDS				
Additions to Fixed Assets	$ 768,436	$ 36,070		$ 304,506
Transfers to General Fund	41,582,046			41,582,046
Transfer to Education		4,309,210		4,309,210
Total Use of Funds	$ 42,350,482	$ 4,345,280	$	$ 46,695,762
CHANGES IN COMPONENTS OF WORKING CAPITAL				
Current Assets				
Cash and Temporary Investments	$(8,965)	$(100,480)	$ 281,804	$ 172,359
Accounts Receivable	101,439	73,550		174,989
Due from Other Funds		390,790	(75,713)	315,077
Inventories	621,334	25,766		647,100
Total Current Assets	713,808	389,626	206,091	1,309,525
Current Liabilities				
Accounts Payable and Accruals	(119,361)	(734,129)		(853,490)
Due to Other Funds	(594,447)	325,261		(269,186)
Total Current Liabilities	(713,808)	(408,868)		(1,122,676)
Increase (Decrease) in Working Capital	$	$(19,242)	$ 206,091	$ 186,849

STATE OF NEW HAMPSHIRE
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES
TRUST AND AGENCY FUNDS
JUNE 30, 1985

	Retirement System Withholding	OASDI Wage Contribution Fund	Social Security Tax Withholding	Federal Income Tax Withholding	All Other Trust & Agency Funds	Total
ASSETS						
Cash and Temporary	$ 969,749	$ 798,100	$ 941,856	$ 3,965	$ 1,944,190	$ 4,657,8
Due from Other Funds					354,575	354,5
Total Assets	$ 969,749	$ 798,100	$ 941,856	$ 3,965	$ 2,298,765	$ 5,012,4
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
Reserve-Member/Employer Contribution	$ 969,749					$ 969,7
Due to Other Taxing Units		$ 798,100	$ 941,856	$ 3,965	$ 26,579	1,770,5
Total Liabilities	969,749	798,100	941,856	3,965	26,579	2,740,2
FUND EQUITY:						
Trust Fund Balance					2,272,186	2,272,1
Total Fund Equity					2,272,186	2,272,1
Total Liabilities and Fund Equity	$ 969,749	$ 798,100	$ 941,856	$ 3,965	$ 2,298,765	$ 5,012,4

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
FIDUCIARY FUND TYPES - ALL TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Total
Fund Balance, Beginning of Year	$ 2,066,095
REVENUES:	
Contributions	386,043
Investment Income	121,317
Other	270,847
Total Revenues	778,207
EXPENDITURES:	
Benefits and Refunds	490,113
Other	82,003
Total Expenditures	572,116
Net Increase in Fund Balances for the Year	206,091
Fund Balance, End of Year	$ 2,272,186

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND TYPES - ALL AGENCY FUNDS
JUNE 30, 1985

	Balance July 1, 1984	Additions	Deductions	Balance June 30, 1985
RETIREMENT SYSTEM WITHHOLDING				
ASSETS				
Cash	$ 1,649,948	$ 60,617,491	$ 61,297,690	$ 969,749
LIABILITIES				
Reserve for Member/Employer Contributions	$ 1,649,948	$ 60,617,491	$ 61,297,690	$ 969,749
OASDI WAGE CONTRIBUTION FUND				
ASSETS				
Cash	$ 1,024,409	$ 91,136,317	$ 91,362,626	$ 798,100
LIABILITIES				
Due to Other Taxing Units	$ 1,024,409	$ 91,136,317	$ 91,362,626	$ 798,100
SOCIAL SECURITY TAX WITHHOLDING ACCOUNT				
ASSETS				
Cash	$ 863,459	$ 24,653,273	$ 24,574,876	$ 941,856
LIABILITIES				
Due to Other Taxing Units	$ 863,459	$ 24,653,273	$ 24,574,876	$ 941,856
FEDERAL INCOME TAX WITHHOLDING ACCOUNT				
ASSETS				
Cash	$ 2,396	$ 26,571,716	$ 26,570,147	$ 3,965
LIABILITIES				
Due to Other Taxing Units	$ 2,396	$ 26,571,716	$ 26,570,147	$ 3,965
EMPLOYEES SUBSCRIPTIONS TO UNITED STATES SAVINGS BONDS				
ASSETS				
Cash	$ 22,955	$ 280,611	$ 276,987	$ 26,579
LIABILITIES				
Due to Other Taxing Units	$ 22,955	$ 280,611	$ 276,987	$ 26,579
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	$ 3,563,167	$ 203,259,408	$ 204,082,326	$ 2,740,249
LIABILITIES				
Reserve for Member/Employer Contributions	$ 1,649,948	$ 60,617,491	$ 61,297,690	$ 969,749
Due to Other Taxing Units	1,913,219	142,641,917	142,784,636	1,770,500
Total Liabilities	$ 3,563,167	$ 203,259,408	$ 204,082,326	$ 2,740,249

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INTRODUCTION TO BUDGET AND ACCOUNTING PROCEDURES

A. Budget and Appropriation Process

Prior to each biennial legislative session all departments of the State are required to transmit to the Commissioner, Administrative Services estimates of their long-range expenditure requirements for capital improvements and estimates of their expenditure requirements for each fiscal year of the ensuing biennium for administration, operation and maintenance.

With respect to capital improvement estimates submitted by State departments, the Budget Officer is directed by statute to prepare a summary capital improvement budget for the ensuing biennium. After any investigation deemed necessary by the Governor and preparation of schematic drawings and cost estimates by the Commissioner of Public Works and Highways, the capital budget is submitted to the Legislature no later than March 15 of the year of the biennial legislative session.

In conjunction with the receipt of the operating budget estimates, the Budget Officer prepares an estimate of the total revenue of the State for each fiscal year of the ensuing biennium in which the several items of revenue are listed and classified according to source, departments or programs producing said revenue and are compared with the revenue actually received during the last completed fiscal year and the fiscal year in progress. Upon receipt of all expenditure estimates and preparation of the revenue projections, the Budget Officer prepares a tentative budget for the ensuing biennium which is transmitted to the Governor. Following public hearings on the tentative operating budget held by the Governor, the Governor-elect, if any, the Commissioner, Budget Officer and the chairman of the House and Senate finance committees, the Governor prepares the final budget proposal, setting forth his financial program for the following two fiscal years, and submits such budget to the Legislature no later than February 15 of the year of the biennial legislative session.

By statute, the budget submitted by the Governor consists of three parts. Part I consists of the Governor's budget message setting forth, among other things, his program for meeting all expenditure needs of the government for the ensuing biennium, financial statements showing the condition of the Treasury at the end of the last completed fiscal year and the estimated condition of the Treasury at the end of the fiscal year in progress and the two fiscal years to which the budget relates, and a summary of appropriations recommended and revenues estimated to be received by the State during such fiscal years. If the estimated revenues of the State for the ensuing biennium as set forth in the budget on the basis of existing law, plus the estimated surplus, if any, for the fiscal years in progress, are less than the aggregate appropriations recommended for the ensuing biennium, the Governor is required to make recommendations to the Legislature in respect to the manner in which such deficit shall be met, whether by an increase in taxes, the imposition of new taxes, or otherwise. However, there is no constitutional or statutory requirement that the Governor propose or the Legislature adopt a budget without resort to borrowing. Part II of the Governor's budget proposal consists of his detailed recommendations, classified by department, for appropriations to meet the expenditure needs of the government. Part III of the budget includes draft appropriation bills for the appropriations made in the proposed budget.

Following enactment of the budget by the Legislature, the Governor may submit supplemental appropriation requests necessary to meet expenses on account of laws enacted subsequent to the general budget appropriation or as the Governor may otherwise deem in the public interest. If such additional appropriation requests require the raising of additional State revenue, the Governor must recommend sources for such funds.

B. Financial Controls

Under the State Constitution, no money may be paid out of the State Treasury unless funds have been appropriated for payment of bills of credit or the payment of principal and interest on bonds or notes issued by the State, except by warrant signed by the Governor with the advice and consent of the Council.

Financial control procedures in the State are maintained both by the executive and legislative departments. In addition to his duties described above with respect to the preparation of the biennial budget, the Commissioner, is directed by Statute to conduct a continuous study of the State's financial operations, needs and resources and to install and operate a system of governmental cost accounting. The Commissioner makes quarterly allotments (which need not be equal) to each agency of the amounts appropriated to that agency in the budget act. In addition, the Administrator, Bureau of Accounting is directed to prescribe a uniform system of accounts for all State departments, to install and maintain a system of central State accounting records, to maintain a system of encumbrances accounting in order to control expenditures and commitments within budget appropriations, and to pre-audit all claims for warrants on the State Treasury to determine if such claims are proper and within appropriation limits. The State also maintains a system of central purchase and supply for all State departments other than for the University of New Hampshire and for bulk liquor purchases of the State Liquor Commission.

The Administrator, Bureau of Accounting is by statute to report monthly to each State agency and department on the total amount expended by such agency or department in the previous month and for the year to date and showing total encumbrances outstanding and appropriation balances then available. When it appears that a State department or agency is incurring expenditures, other than capital expenditures, at levels which will deplete its available appropriation prior to the close of the fiscal year, the Administrator, Bureau of Accounting is required to report such fact to the Governor who, after investigation, may order the department head to reduce expenditures in proportion to the balance available and remaining time in the fiscal year.

In addition, if the Governor determines that actual expenditures will exceed projected expenditures net of lapses, or unexpended appropriations, he may order reductions in spending with the concurrence of the Legislature's Advisory Budget Control Committee.

Legislative financial controls involve the Advisory Budget Control Committee and the Office of the Legislative Budget Assistant, acting under the supervision of the Fiscal Committee, and the Joint Legislative Capital Budget Overview Committee. If it should be determined by the Administrator, Bureau of Accounting that during any three consecutive months there has occurred such a decline in State revenues as would, if continued, cause a serious deficit in the total state budget, the Administrator, Bureau of Accounting must notify the Governor who, with the advice and consent of the Legislative Advisory Budget Control Committee, may order reduction in rates of expenditures within all or any State departments so that such decline in revenue will not result in the incurrence of further State debt. Controls once established may be discontinued by the Governor and shall be discontinued if so voted by the Committee.

The Office of the Legislative Budget Assistant is responsible for the overall review and audit of the budgetary process on behalf of the Legislature. In addition to duties regarding budget preparation and involving revenue estimating and fiscal research, the Office is responsible for post-audit budget review involving selected departmental audits conducted by the Office staff to determine that the financial operations of the department are properly conducted and that financial reports are fairly presented, to determine whether or not planned program results and benefits are being achieved. The Joint Legislative Capital Budget Overview Committee established as of June 30, 1981 reviews the status of capital budget projects, and each State agency with capital budget projects is required to submit to the committee a status report on the projects every 60 days.

STATE OF NEW HAMPSHIRE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP - BUDGETARY BASIS
JUNE 30, 1985

	GOVERNMENTAL FUND TYPES			
ASSETS	General	Special Revenue	Debt Service	Capital Projects
Cash and Temporary Investments	$ 28,001,866	$ 29,067,429	$ 5,685,874	$ 3,370,660
Cash Other	1,288,725			
Revolving Fund	196,770	63,000		
Accounts Receivable (Net of Allowance for Uncollectibles)	25,001,128	24,697,908		1,490,683
Federal Funds Obligated Not Currently Reimbursable		74,015,103		
Taxes Receivable (Net of Allowance for Uncollectibles)		8,082,962		
Due from Other Funds	13,878,912			
Inventories	2,453,389	677,710		
Land				
Land Improvements				
Buildings				
Leasehold Improvements				
Equipment				
Less: Allowance for Depreciation & Amortization				
Bonds Authorized and Unissued	1,500,000	84,050,618		73,757,215
Amount Available for Payment of Bonds				
Amount to be Provided for Payment of Water Pollution Contracts				
Amount to be Provided for Payment of Bonds - Various				
- U. N. H.				
Total Assets	$ 72,320,790	$220,654,730	$ 5,685,874	$ 78,618,558
LIABILITIES AND FUND EQUITY (DEFICIT)				
LIABILITIES:				
Accounts Payable	$ 4,133,923	$ 11,109,702		$ 617,891
Taxes Due Towns	55,300			
Due to Other Funds	390,790			
Prepaid Revenue	518,698			
Other Liabilities	1,550,423			
Reserve for Member/Employer Contributions				
Bonds Payable				
Water Pollution Contracts Payable				
Total Liabilities	6,649,134	11,109,702		617,891
FUND EQUITY				
Investment in Fixed Assets				
Retained Earnings (Deficit)				
Contributions from Other Funds				
Contributions to Other Funds				
Trust Fund Balance				
Reserve for Encumbrances	14,555,962	115,697,093		10,557,767
Unreserved:				
Designated Balance of Appropriation	3,355,573	78,397,922		67,442,900
Undesignated Surplus (Deficit)	47,760,121	15,450,013	$ 5,685,874	
Total Fund Equity (Deficit)	65,671,656	209,545,028	5,685,874	78,000,667
Total Liabilities and Fund Equity	$ 72,320,790	$220,654,730	$ 5,685,874	$ 78,618,558

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		
Enterprise	Trust and Agency	General Fixed Assets	Long Term Debt	Total (Memorandum Only)
$ 826,806	$ 4,016,676			$ 70,969,311
2,475,211				3,763,936
310,000				569,770
2,273,827				53,463,546
				74,015,103
				8,082,962
390,790				14,269,702
19,054,673				22,135,772
1,402,146		$119,198,309		120,600,455
525,611		94,491		620,102
6,348,219		141,417,787		147,766,006
485,411				485,411
4,991,100		69,476,901		74,468,001
(4,536,771)				(4,536,771)
				159,307,333
			$ 5,680,854	5,680,854
			2,444,371	2,444,371
			339,027,146	339,027,146
			22,492,000	22,492,000
$ 34,547,023	$ 4,016,676	$330,187,488	$369,644,371	$1,115,675,510
$ 9,935,988				$ 25,797,504
				55,300
13,878,912				14,269,702
600,451				1,119,149
972,855				2,523,278
	$ 969,749			969,749
			$367,200,000	367,200,000
			2,444,371	2,444,371
25,388,206	969,749		369,644,371	414,379,053
		$330,187,488		330,187,488
(5,159,183)				(5,159,183)
14,593,164				14,593,164
(275,164)				(275,164)
	3,046,927			3,046,927
				140,810,822
				149,196,395
				68,896,008
9,158,817	3,046,927	330,187,488		701,296,457
$ 34,547,023	$ 4,016,676	$330,187,488	$369,644,371	$1,115,675,510

STATE OF NEW HAMPSHIRE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	General	Special Revenue	Debt Service	Capital Projects	Enterprises	Total (Memorandum Only)
REVENUES:						
General Property Taxes	$ 10,306,794					$ 10,306,794
Special Taxes	246,509,809	$ 103,992				246,613,801
Personal Taxes	32,723,606					32,723,606
Business License Taxes	31,289,340	66,059,243			$ 10,447,548	107,796,131
Non-Business License Taxes	2,952,475	36,300,032				39,252,507
Fees	16,279,041	5,664,466			2,078,579	24,022,086
Fines, Penalties and Interest	14,277,135	820,885				15,098,020
Grants from Federal Government	49,414,090	252,881,705		$ 3,017,399		305,313,194
Grants from Private and Local Sources	3,404,321	23,136,291		655,643		27,196,255
Rents and Leases	3,416,736	3,324	$ 11,950			3,432,010
Interest, Premiums and Discounts	1,959,778	1,596,067	208,944			3,764,789
Sale of Commodities	3,342,448	222,975				3,565,423
Sale of Services	28,106,119	1,098,125				29,204,244
Assessments	5,746,692	19,809,879				25,556,571
Grants from Other Agencies	25,822,354	6,834,220				32,656,574
Public Service Enterprise					56,784,530	56,784,530
Miscellaneous	17,100,281	2,819,402			276,551	20,196,234
Total Revenues	492,651,019	417,350,606	220,894	3,673,042	69,587,208	983,482,769
EXPENDITURES						
General Government	113,855,498	13,525,389		701,422		128,082,309
Administration of Justice and Public Protection	73,996,054	10,448,572		13,871,252	23,903,107	122,218,985
Resource Protection and Development	26,617,835	12,912,479		3,225,509		42,755,823
Transportation	5,088,581	109,329,092		1,823,469		116,241,142
Health and Social Services	103,733,551	184,040,022		614,888		288,388,461
Education	72,042,077	40,142,498		7,072,126		119,256,701
Debt Service	34,351,765	16,895,787	16,360	338,651		51,602,563
Capital Outlays	6,608,497	81,798,502		1,968,406	19,956	90,395,861
Total Expenditures	436,293,858	469,092,341	16,360	29,616,223	23,923,063	958,941,845
Excess of Revenues Over (Under) Expenditures	56,357,161	(51,741,735)	204,534	(25,943,181)	45,664,145	24,540,924
OTHER FINANCING SOURCES (Uses):						
Operating Transfers In	42,816,999	61,821,538	2,975,715	572,901		108,187,153
Operating Transfers Out	(60,087,185)	(4,644,239)	(1,754,813)	(575,213)	(41,125,703)	(108,187,153)
Bonds Authorized & Unissued		16,855,475		62,193,969		79,049,444
Bonds Authorized Reduction				(845,303)		(845,303)
Distribution to Education/General Fund					(4,309,210)	(4,309,210)
Miscellaneous	2,422,408	(1,664,581)			(682,225)	75,602
Total Other Financing Sources (Uses)	(14,847,778)	72,368,193	1,220,902	61,346,354	(46,117,138)	73,970,533
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	41,509,383	20,626,458	1,425,436	35,403,173	(452,993)	98,511,457
Fund Balance - July 1, 1984	24,162,273	188,918,570	4,260,438	42,597,494	9,611,810	269,550,585
Fund Balance - June 30, 1985	$ 65,671,656	$209,545,028	$ 5,685,874	$ 78,000,667	$ 9,158,817	$368,062,042

STATE OF NEW HAMPSHIRE
GENERAL FUND - BUDGETARY BASIS
BALANCE SHEET
JUNE 30, 1985

ASSETS	June 30, 1985	June 30, 1984
Cash and Temporary Investments	$ 28,001,866	$(12,721,289)
Cash Other	1,288,725	1,152,724
Revolving Fund	196,770	248,714
Accounts Receivable (Net of Allowances for Uncollectibles)	25,001,128	20,826,080
Due from Other Funds	13,878,912	13,528,043
Inventories	2,453,389	2,099,824
Prepaid Taxes to Cities and Towns		3,910,909
Bonds Authorized and Unissued	1,500,000	1,500,000
Total Assets	$ 72,320,790	$ 30,545,005

LIABILITIES AND FUND EQUITY		
LIABILITIES:		
Accounts Payable	$ 4,133,923	$ 4,047,505
Taxes Due Towns	55,300	113,777
Due to Other Funds	390,790	
Prepaid Revenue	518,698	407,028
Other Liabilities	1,550,423	1,814,422
Total Liabilities	6,649,134	6,382,732
FUND EQUITY		
Fund Balance:		
Reserve for Encumbrances	14,555,962	14,541,221
Unreserved:		
Designated Balance of Appropriation	3,355,573	8,288,343
Undesignated Surplus (Deficit)	47,760,121	1,332,709
Total Fund Equity	65,671,656	24,162,273
Total Liabilities and Fund Equity	$ 72,320,790	$ 30,545,005

STATE OF NEW HAMPSHIRE
GENERAL FUND - BUDGETARY BASIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
For the Fiscal Year Ended June 30, 1985

	June 30, 1985	June 30, 1984
REVENUES:		
General Property Taxes	$ 10,306,794	$ 15,727,835
Special Taxes	246,509,809	224,730,280
Personal Taxes	32,723,606	33,580,958
Business License Taxes	31,289,340	27,394,782
Non-Business License Taxes	2,952,475	2,669,441
Fees	16,279,041	13,134,958
Fines, Penalties and Interest	14,277,135	8,226,566
Grants from Federal Government	49,414,090	47,179,600
Grants from Private and Local Sources	3,404,321	2,146,392
Rents and Leases	3,416,736	2,811,955
Interest, Premiums and Discounts	1,959,778	1,841,142
Sale of Commodities	3,342,448	4,040,908
Sale of Services	28,106,119	25,716,818
Assessments	5,746,692	5,418,652
Grants from Other Agencies	25,822,354	22,151,416
Miscellaneous	17,100,281	19,844,076
Total Revenues	492,651,019	456,615,779
EXPENDITURES		
General Government	113,855,498	114,669,423
Administration of Justice and Public Protection	73,996,054	53,318,693
Resource Protection and Development	26,617,835	26,569,230
Transportation	5,088,581	3,907,882
Health and Social Services	103,733,551	93,620,926
Education	72,042,077	70,252,126
Debt Service	34,351,765	34,043,410
Capital Outlays	6,608,497	3,651,008
Total Expenditures	436,293,858	400,032,698
Excess of Revenues Over (Under) Expenditures	56,357,161	56,583,081
OTHER FINANCING SOURCES (Uses):		
Transfers from Highway	1,106,298	659,886
Transfers from Capital	573,697	
Transfers from Eastern N. H. Turnpike	4,633	656,725
Transfers from Central N. H. Turnpike	6,667	4,707
Transfers from Forest Conservation		6,773
Transfers from Enterprise Fund	41,125,704	40,416,606
Miscellaneous	2,422,408	6,275,738
Bonds Authorized & Unissued		1,500,000
Transfers to Highway	(1,258,378)	(1,001,345)
Transfers to Special	(58,755,197)	(53,904,747)
Transfers to Capital	(73,610)	(190,276)
Total Other Financing Sources (Uses)	(14,847,778)	(5,575,933)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	41,509,383	51,007,148
Fund Balance - July 1	24,162,273	(26,844,875)
Fund Balance - June 30	$ 65,671,656	$ 24,162,273

STATE OF NEW HAMPSHIRE
GENERAL FUND - BUDGETARY BASIS
STATEMENT OF UNDESIGNATED SURPLUS
For the Fiscal Year Ended June 30, 1985

Undesignated Surplus (Deficit) - June 30, 1984				$ 1,332,709
Adjustments:				
Credits to Surplus:				
Escheated Estates		$ 4,344		
Capital Fund Transfers		503,982		
Marine Gas Tax		53,979		
Unclaimed Greyhound Pari-mutuels		178,271		
Unclaimed Thoroughbred Pari-mutuels		8,683		
Inventory Adjustment		353,566		
Unclaimed Checks		37,232	$ 1,140,057	
Charges to Surplus:				
Undistributed Postage		55,309		
Prior Year Refunds		374,508		
Post Secondary Education Transfer		109,749		
Miscellaneous		11,160		
Air Resources Transfer		55,522		
Highway Fund Transfers		100,000	706,248	
Excess of Credit over Charges				433,809
Sub Total				1,766,518
Budgetary Summary: Unrestricted Revenue				
- General		376,408,334		
- Liquor		54,185,671	430,594,005	
Appropriations Net of Estimated Revenue				
- General Fund	$ 337,469,617			
- Special Fund	67,504,283	404,973,900		
Less Lapses:				
Salary Adjustment	$ 2,995,415			
Benefit Adjustment	1,126,805			
Other Lapses	16,251,278	20,373,498	384,600,402	45,993,603
Undesignated Surplus (Deficit) - June 30, 1985				$ 47,760,121

STATE OF NEW HAMPSHIRE
GENERAL FUND - BUDGETARY BASIS
COMPARATIVE STATEMENT OF UNRESTRICTED REVENUE TO BUDGET
For the Fiscal Year Ended June 30, 1985

		Actual Fiscal 1984	Budget Fiscal 1985	Actual Fiscal 1985	Over (Under) Budget	%
(1)	Beer	$ 10,416,723	$ 12,100,000	$ 11,212,926	$(887,074)	(7.3)
	Board and Care	13,584,977	18,700,000	15,303,545	(3,396,455)	(18.2)
	Business Profits Tax	101,935,006	95,300,000	111,056,553	15,756,553	16.5
	Estate and Legacy Tax	11,827,459	10,000,000	10,607,329	607,329	6.1
	Insurance	18,728,118	20,300,000	20,810,742	510,742	2.5
	Intangible Tax	22,651,176	24,000,000	24,496,387	496,387	2.1
(1)	Liquor	43,421,925	48,000,000	42,972,745	(5,027,255)	(10.5)
	Meals and Rooms	51,789,461	54,825,000	57,101,151	2,276,151	4.2
	Parks Income	3,682,692	3,300,000	3,000,874	(299,126)	(9.1)
	Other	30,016,768	37,100,000	37,683,911	583,911	1.6
	Greyhound Racing	7,345,443	7,300,000	7,548,822	248,822	3.4
	Harness Racing	113,030	100,000	131,666	31,666	31.7
	Thoroughbred Racing	281,954	1,550,000	1,831,525	281,525	18.2
	Real Estate Transfer Tax	22,484,173	15,200,000	30,283,391	15,083,391	99.2
	Telephone	15,439,710	8,000,000	10,051,884	2,051,884	25.7
	Tobacco	33,580,958	26,500,000	32,722,886	6,222,886	23.5
	Utilities	6,081,385	4,700,000	6,739,401	2,039,401	43.4
	Sale of Realty	1,516,879	1,000,000	3,000	(997,000)	(99.7)
	Savings Bank Tax	7,441,020	6,000,000	7,035,267	1,035,267	17.3
	Total	$ 402,338,857	$ 393,975,000	$ 430,594,005	$ 36,619,005	9.3

Notes: (1) The Liquor and Beer Revenues are included for legal compliance and budgetary comparison. However, these activities are reported separately in the Enterprise Fund per Generally Accepted Accounting Principles.

STATE OF NEW HAMPSHIRE
COMBINING BALANCE SHEET - BUDGETARY BASIS
ALL SPECIAL REVENUE FUNDS
JUNE 30, 1985

	HIGHWAY FUND	FISH & GAME FUND	SPECIAL FUND	Total (Memorandum Only)
ASSETS				
Cash and Temporary Investments	$ 31,909,050	$ 977,846	$(3,819,467)	$ 29,067,429
Revolving Funds	60,000	3,000		63,000
Accounts Receivable (Net of Allowances for Uncollectibles)	10,064,961	395,851	14,237,096	24,697,908
Federal Funds Obligated Not Currently Reimbursable	74,015,103			74,015,103
Taxes Receivable (Net of Allowances for Uncollectibles)	8,082,962			8,082,962
Bonds Authorized and Unissued	84,050,618			84,050,618
Inventories	677,710			677,710
Total Assets	$ 208,860,404	$ 1,376,697	$ 10,417,629	$ 220,654,730
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts Payable	$ 7,730,201	$ 91,936	$ 3,287,565	$ 11,109,702
FUND EQUITY:				
Fund Balance:				
Reserve for Encumbrances	92,983,901	224,747	22,488,445	115,697,093
Unreserved:				
Designated Balance of Appropriation	93,139,459	616,844	(15,358,381)	78,397,922
Undesignated Surplus	15,006,843	443,170		15,450,013
Total Fund Equity	201,130,203	1,284,761	7,130,064	209,545,028
Total Liabilities and Fund Equity	$ 208,860,404	$ 1,376,697	$ 10,417,629	$ 220,654,730

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY - BUDGETARY BASIS
ALL SPECIAL REVENUE FUNDS
For The Fiscal Year Ended June 30, 1985

	HIGHWAY FUND	FISH & GAME FUND	SPECIAL FUND	Total (Memorandum Only)
REVENUES:				
Special Taxes			$ 103,992	$ 103,992
Business License Taxes	$ 66,059,243			66,059,243
Non-Business License Taxes	32,812,243	$ 3,487,789		36,300,032
Fees	5,434,682	85,810	143,974	5,664,466
Fines, Penalties & Interest	437,417	50,389	333,079	820,885
Grants from Federal Government	80,822,279	1,170,816	170,888,610	252,881,705
Grants from Private & Local Sources	3,949,075	109,429	19,077,787	23,136,291
Rents and Leases	3,324			3,324
Interest, Premiums and Discounts	1,363,163	48,721	184,183	1,596,067
Sale of Commodities	32,677	149,634	40,664	222,975
Sale of Services	796,711	13,908	287,506	1,098,125
Assessments			19,804,879	19,809,879
Grants from Other Agencies	45,527	218,839	6,569,854	6,834,220
Miscellaneous	584,225	594,851	1,640,326	2,819,402
Total Revenue	192,340,566	5,930,186	219,079,254	417,350,606
EXPENDITURES:				
General Government			13,525,389	13,525,389
Administration of Justice and Public Protection	790,166		9,658,406	10,448,572
Resource Protection and Development		5,444,106	7,468,373	12,912,479
Transportation	102,587,377		6,741,715	109,329,092
Health and Social Services			184,040,022	184,040,022
Education			40,142,498	40,142,498
Debt Services	6,597,212		10,298,575	16,895,787
Capital Outlays	77,403,391	462,067	3,933,044	81,798,502
Total Expenditures	187,378,146	5,906,173	275,808,022	469,092,341
Excess of Revenues Over (Under) Expenditures	4,962,420	24,013	(56,728,168)	(51,741,735)
OTHER FINANCING SOURCES (Uses):				
Transfers from Governmental Funds	1,268,849	53,979	60,498,710	61,821,538
Bonds Authorized and Unissued	16,355,475			16,855,475
Other Credits				
Transfers to Governmental Funds	(1,659,569)		(2,984,670)	(4,644,239)
Miscellaneous	(61,793)		(1,602,788)	(1,664,581)
Total Other Financing Sources (Uses)	16,402,962	53,979	55,911,252	72,368,193
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	21,365,382	77,992	(816,916)	20,626,458
Fund Balance, July 1, 1984	179,764,821	1,206,769	7,946,980	188,918,570
Fund Balance June 30, 1985	$ 201,130,203	$ 1,284,761	$ 7,130,064	$ 209,545,028

STATE OF NEW HAMPSHIRE
HIGHWAY FUND - BUDGETARY BASIS
BALANCE SHEET
JUNE 30, 1985

ASSETS	June 30, 1985	June 30, 1984
Cash and Temporary Investments	$ 31,909,050	$ 36,882,145
Revolving Fund	60,000	60,000
Accounts Receivable	10,064,961	4,902,262
Federal Funds Obligated Not Currently Reimbursable	74,015,103	60,321,418
Taxes Receivable	8,082,962	8,694,148
Bonds Authorized and Unissued	84,050,618	73,695,143
Inventories	677,710	739,503
Total Assets	$ 208,860,404	$ 185,294,619
LIABILITIES AND FUND EQUITY		
LIABILITIES:		
Accounts Payable	$ 7,730,201	$ 5,529,798
Total Liabilities	7,730,201	5,529,798
FUND EQUITY		
Fund Balance:		
Reserve for Encumbrances	92,983,901	78,659,871
Unreserved:		
Designated Balance of Appropriation	93,139,459	82,201,376
Undesignated Surplus (Deficit)	15,006,843	18,903,574
Total Fund Equity	201,130,203	179,764,821
Total Liabilities and Fund Equity	$ 208,860,404	$ 185,294,619

STATE OF NEW HAMPSHIRE
HIGHWAY FUND - BUDGETARY BASIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
For the Fiscal Year Ended June 30, 1985

	June 30, 1985	June 30, 1984
REVENUES:		
Business License Taxes	$ 66,059,243	$ 65,561,416
Non-Business License Taxes	32,812,243	30,636,737
Fees	5,434,682	5,220,148
Fines, Penalties and Interest	437,417	121,444
Grants from Federal Government	80,822,279	55,700,335
Grants from Private and Local Sources	3,949,075	7,301,395
Rents and Leases	3,324	3,376
Interest, Premiums and Discounts	1.363,163	1,333,647
Sale of Commodities	32,677	32,718
Sale of Services	796,711	862,512
Grants from Other Agencies	45,527	43,964
Miscellaneous	584,225	222,466
Total Revenues	192,340,566	167,040,158
EXPENDITURES:		
Administration of Justice and Public Protection	790,166	456,035
Transportation	102,587,377	95,938,523
Debt Service	6,597,212	5,554,078
Capital Outlays	77,403,391	55,826,760
Total Expenditures	187,378,146	157,775,396
Excess of Revenues Over (Under) Expenditures	4,962,420	9,264,762
OTHER FINANCING SOURCES (USES):		
Bonds Authorized and Unissued	16,855,475	41,196,500
Operating Transfers from General Fund	1,258,378	1,001,345
Operating Transfers from Special Fund	8,955	4,76
Operating Transfers from Capital Fund	1,516	
Operating Transfers to General Fund	(1,106,298)	(659,886
Operating Transfers to Fish and Game Fund	(53,979)	(46,810
Operating Transfers to Capital Fund	(499,292)	
Miscellaneous	(61,793)	(8,541
Total Other Financing Sources (Uses)	16,402,962	41,487,372
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	21,365,382	50,752,134
Fund Balance - July 1	179,764,821	129,012,687
Fund Balance - June 30	$ 201,130,203	$ 179,764,821

STATE OF NEW HAMPSHIRE
HIGHWAY FUND - BUDGETARY BASIS
STATEMENT OF UNDESIGNATED SURPLUS
For the Fiscal Year Ended June 30, 1985

Undesignated Surplus - June 30, 1984			$ 18,903,57
Adjustments:			
Credits to Surplus:			
Bond Authorization	$ 16,855,475		
Bond Authorized Reclass - Prior Year	499,292		
Transfer - Alcohol and Drug Abuse	4,599	$ 17,359,366	
Charges to Surplus:			
Transfers:			
Unemployment Compensation	3,621		
Safety Department	975,810		
Marine Gas Tax	107,958		
Workmen's Compensation	29,651		
Public Works & Highways	5,941,790		
Prior Year Refunds	17,983		
Inventory Adjustment	61,793		
Highway Safety	6,100		
Transfer to Capital	499,292	7,643,998	
			9,715,36
			28,618,94
Budgetary Summary:			
Unrestricted Revenue - FY 1985		106,933,841	
Appropriations Net of Estimated Revenue	127,210,663		
Less: Lapses	6,664,723	120,545,940	(13,612,09
Undesignated Surplus (Deficit) - June 30, 1985			$ 15,006,84

STATE OF NEW HAMPSHIRE
FISH AND GAME FUND - BUDGETARY BASIS
BALANCE SHEET
JUNE 30, 1985

ASSETS	June 30, 1985	June 30, 1984
Cash and Temporary Investments	$ 977,846	$ 882,696
Revolving Fund	3,000	2,000
Accounts Receivable	395,851	443,225
Total Assets	$ 1,376,697	$ 1,327,921
LIABILITIES AND FUND EQUITY		
LIABILITIES:		
Accounts Payable	$ 91,936	$ 121,152
FUND EQUITY		
Fund Balance:		
Reserve for Encumbrances	224,747	178,421
Unreserved:		
Designated Balance of Appropriation	616,844	404,817
Undesignated Surplus (Deficit)	443,170	623,531
Total Fund Equity	1,284,761	1,206,769
Total Liabilities and Fund Equity	$ 1,376,697	$ 1,327,921

STATE OF NEW HAMPSHIRE
FISH AND GAME FUND - BUDGETARY BASIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
For the Fiscal Year Ended June 30, 1985

	June 30, 1985	June 30, 1984
REVENUES:		
Non-Business License Taxes	$ 3,487,789	$ 3,190,736
Fees	85,810	263,212
Fines, Penalties and Interest	50,389	39,942
Grants from Federal Government	1,170,816	1,245,174
Grants from Private and Local Sources	104,429	16,139
Interest, Premiums and Discounts	48,721	32,349
Sale of Commodities	149,634	30,631
Sale of Services	13,908	14,094
Grants from Other Agencies	218,839	248,767
Miscellaneous	594,851	549,957
Total Revenues	5,930,186	5,631,001
EXPENDITURES:		
Resource Protection & Development	5,444,106	5,220,165
Capital Outlays	462,067	157,489
Total Expenditures	5,906,173	5,377,654
Excess of Revenues Over (Under) Expenditures	24,013	253,347
OTHER FINANCING SOURCES (USES):		
Transfers from General Fund		46,810
Transfers from Highway Fund	53,979	
Total Other Financing Sources (Uses)	53,979	46,810
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	77,992	300,157
Fund Balance - July 1	1,206,769	906,612
Fund Balance - June 30	$ 1,284,761	$ 1,206,769

STATE OF NEW HAMPSHIRE
FISH AND GAME FUND - BUDGETARY BASIS
STATEMENT OF UNDESIGNATED SURPLUS
For the Fiscal Year Ended June 30, 1985

Undesignated Surplus - June 30, 1984			$ 623,531
Adjustments:			
Credits to Surplus:			
Marine Gas Tax	$ 53,979		
Charges to Surplus:			
Prior Year Refunds	29		
Miscellaneous	32,344		
			21,606
			645,137
Budgetary Summary:			
Unrestricted Revenue		3,738,833	
Appropriations Net of Estimated Revenue	4,091,028		
Less: Lapses	150,228		
		3,940,800	(201,967)
Undesignated Surplus (Deficit) - June 30, 1985			$ 443,170

STATE OF NEW HAMPSHIRE
SPECIAL FUND - BUDGETARY BASIS
BALANCE SHEET
JUNE 30, 1985

ASSETS	June 30, 1985	June 30, 1984
Cash and Temporary Investments	$(3,819,467)	$(4,159,077)
Cash Other		218,004
Accounts Receivable	14,237,096	14,854,615
Total Assets	$ 10,417,629	$ 10,913,542
LIABILITIES AND FUND EQUITY		
LIABILITIES:		
Accounts Payable	$ 3,287,565	$ 2,966,562
FUND EQUITY		
Fund Balance:		
Reserve for Encumbrances	22,488,445	20,351,344
Unreserved:		
Designated Balance of Appropriation (Deficit)	(15,358,381)	(12,404,364)
Total Fund Equity	7,130,064	7,946,980
Total Liabilities and Fund Equity	$ 10,417,629	$ 10,913,542

STATE OF NEW HAMPSHIRE
SPECIAL FUND - BUDGETARY BASIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
For the Fiscal Year Ended June 30, 1985

	June 30, 1985	June 30, 1984
REVENUES:		
Special Taxes	$ 103,992	$ 56,141
Fees	143,974	139,672
Fines, Penalties and Interest	333,079	322,600
Grants from Federal Government	170,888,610	152,456,484
Grants from Private and Local Sources	19,077,787	18,464,336
Interest, Premiums and Discounts	184,183	164,439
Sale of Commodities	40,664	13,272
Sale of Services	287,506	378,633
Assessments	19,809,879	17,825,042
Grants from Other Agencies	6,569,854	4,128,056
Miscellaneous	1,640,326	1,685,343
Total Revenues	219,079,854	195,634,032
EXPENDITURES:		
General Government	13,525,389	7,136,058
Administration of Justice & Public Protection	9,658,406	8,746,383
Resource Protection & Development	7,468,373	5,170,822
Transportation	6,741,715	6,490,296
Health and Social Services	184,040,022	173,277,663
Education	40,142,498	37,029,115
Debt Service	10,298,575	9,930,363
Capital Outlays	3,933,044	719,438
Total Expenditures	275,808,022	248,500,138
Excess of Revenues Over (Under) Expenditures	(56,728,168)	(52,866,106)
OTHER FINANCING SOURCES (USES):		
Transfers from General Fund	57,152,409	53,904,747
Transfers from Eastern Turnpike	1,052,450	1,677,684
Transfers from Central Turnpike	691,063	3,259,139
Transfers to Highway Fund	(8,955)	(4,764)
Transfers to Eastern Turnpike	(67,000)	(3,614,637)
Transfers to Central Turnpike	(2,908,715)	
Total Other Financing Sources (Uses)	55,911,252	55,222,169
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(816,916)	2,356,063
Fund Balance - July 1	7,946,980	5,590,917
Fund Balance - June 30	$ 7,130,064	$ 7,946,980

STATE OF NEW HAMPSHIRE
SPECIAL FUND - BUDGETARY BASIS
STATEMENT OF UNDESIGNATED SURPLUS
For the Fiscal Year Ended June 30, 1985

Undesignated Surplus - June 30, 1984		$ -0-
Adjustments		
Credits to Surplus:		
Transfers from General Fund		62,754,333
Charges to Surplus:		
Transfers of Appropriations Net of Estimated Revenue from General Fund	$ 67,504,283	
Less: Lapses - Transferred to General Fund	4,749,950	
		62,754,333
Undesignated Surplus (Deficit) - June 30, 1985		$ -0-

STATE OF NEW HAMPSHIRE
DEBT SERVICE FUND - BUDGETARY BASIS
BALANCE SHEET
JUNE 30, 1985

	June 30, 1985	June 30, 1984
ASSETS		
Cash and Temporary Investments	$ 5,685,874	$ 4,260,438
Total Assets	$ 5,685,874	$ 4,260,438
LIABILITIES AND FUND EQUITY		
FUND EQUITY		
Fund Balance:		
Undesignated Surplus (Deficit)	$ 5,685,874	$ 4,260,438
Total Liabilities and Fund Equity	$ 5,685,874	$ 4,260,438

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
DEBT SERVICE FUNDS - BUDGETARY BASIS
JUNE 30, 1985

	Skyhaven Hangar	Eastern Turnpike	Central Turnpike	Total
REVENUES:				
Rents & Leases	$ 11,950			$ 11,950
Interest, Premiums and Discounts			$ 208,944	208,944
Total Revenues	11,950		208,944	220,894
EXPENDITURES:				
Debt Service	16,360			16,360
Total Expenditures	16,360			16,360
Excess of Revenues Over (Under) Expenditures	(4,410)		208,944	204,534
OTHER FINANCING SOURCES (Uses):				
Operating Transfers In		$ 67,000	2,908,715	2,975,715
Operating Transfers Out		(1,057,083)	(697,730)	(1,754,813)
Total Other Financing Sources [illegible]		(990,083)	2,210,985	1,220,902
Excess of Expenditures and Other Uses (Over) Under Revenues and Other Sources	(4,410)	(990,083)	2,419,929	1,425,436
Fund Balance - July 1, 1984	9,430	(7,388,486)	11,639,494	4,260,438
Fund Balance - June 30, 1985	$ 5,020	$(8,378,569)	$ 14,059,423	$ 5,685,874

STATE OF NEW HAMPSHIRE
CAPITAL PROJECTS FUND - BUDGETARY BASIS
BALANCE SHEET
JUNE 30, 1985

ASSETS	June 30, 1985	June 30, 1984
Cash and Temporary Investments	$ 3,370,660	$ 610,553
Accounts Receivable	1,490,683	2,592,365
Bonds Authorized and Unissued	73,757,215	59,908,552
Total Assets	$ 78,618,558	$ 63,111,470
LIABILITIES AND FUND EQUITY		
LIABILITIES:		
Accounts Payable	$ 617,891	$ 513,976
Temporary Loans		20,000,000
Total Liabilities	617,891	20,513,976
FUND EQUITY		
Fund Balance:		
Reserve for Encumbrances	10,557,767	29,538,297
Designated Balance of Appropriation	67,442,900	13,059,197
Total Fund Equity	78,000,667	42,597,494
Total Liabilities and Fund Equity	$ 78,618,558	$ 63,111,470

STATE OF NEW HAMPSHIRE
CAPITAL PROJECTS FUND - BUDGETARY BASIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
For the Fiscal Year Ended June 30, 1985

	June 30, 1985	June 30, 1984
REVENUES:		
Grants from Federal Government	$ 3,017,399	$ 4,787,839
Grants from Private and Local Sources	655,643	680,510
Total Revenues	3,673,042	5,468,349
EXPENDITURES:		
General Government	701,422	1,201,284
Administration of Justice & Public Protection	13,871,252	5,815,565
Resource Protection & Development	3,225,509	3,496,633
Transportation	1,823,469	1,756,028
Health and Social Services	614,888	236,703
Education	7,072,126	10,482,604
Debt Service	338,651	354,550
Capital Outlays	1,968,906	2,968,027
Total Expenditures	29,616,223	26,311,394
Excess of Revenues Over (Under) Expenditures	(25,943,181)	(20,843,045)
OTHER FINANCING SOURCES (USES):		
Bonds Authorized	62,193,969	22,224,600
Operating Transfers from General Fund	73,609	190,276
Operating Transfers from Highway Fund	499,292	
Operating Transfers to General Fund	(573,697)	(656,725)
Operating Transfers to Highway Fund	(1,516)	
Bonds Authorized Reduction	(845,303)	(405,103)
Total Other Financing Sources (Uses)	61,346,354	21,353,048
Excess of Revenues (and Other Sources) Over (Under) Expenditures and Other Uses	35,403,173	510,003
Fund Balance - July 1	42,597,494	42,087,491
Fund Balance - June 30	$ 78,000,667	$ 42,597,494
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STATE OF NEW HAMPSHIRE
CAPITAL PROJECTS FUND - BUDGETARY BASIS
STATEMENT OF UNDESIGNATED SURPLUS
For the Fiscal Year Ended June 30, 1985

Undesignated Surplus - June 30, 1984			$ -0-
Adjustments			
Credits to Surplus:			
Bonds Authorized	$ 62,193,969		
Transfer from General Fund	69,714		
Transfer from Highway Fund	499,292		
		$ 62,762,975	
Charges to Surplus:			
Lapse of Bonds Authorized	845,306		
Transfers to General Fund	573,696		
Bonds Authorized Reclass - Prior Year	499,292		
		1,918,294	
			60,844,681
Budget Summary			
Appropriations Net of Estimated Revenue		62,263,683	
Less: Lapses		1,419,002	
			60,844,681
Undesignated Surplus (Deficit) - June 30, 1985			$ -0-

STATE OF NEW HAMPSHIRE
COMBINING BALANCE SHEET
PROPRIETARY FUND TYPE - ALL ENTERPRISE FUNDS - BUDGETARY BASIS
JUNE 30, 1985

ASSETS	Liquor Commission	Sweepstakes Commission	Total
Current Assets			
Cash and Temporary Investments		$ 826,806	$ 826,806
Cash Other	$ 2,334,216	140,995	2,475,211
Revolving Funds	60,000	250,000	310,000
Accounts Receivable	2,157,090	116,737	2,273,827
Due from Other Funds		390,790	390,790
Inventories	18,674,760	379,913	19,054,673
Total Current Assets	23,226,066	2,105,241	25,331,307
Plant and Equipment			
Land	1,402,146		1,402,146
Land Improvements	525,611		525,611
Buildings	6,348,219		6,348,219
Improvements	485,411		485,411
Equipment	4,806,759	184,341	4,991,100
Less: Allowance for Depreciation and Amortization	(4,409,329)	(127,442)	(4,536,771)
Net Plant and Equipment	9,158,817	56,899	9,215,716
Total Assets	$ 32,384,883	$ 2,162,140	$ 34,547,023
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts Payable	$ 9,347,154	$ 588,834	$ 9,935,988
Due to Other Funds	13,878,912		13,878,912
Prepaid Revenue		600,451	600,451
Other Liabilities		972,855	972,855
Total Liabilities	23,226,066	2,162,140	25,388,206
Fund Equity			
Contribution from Other Funds	14,593,164		14,593,164
Contribution to Other Funds	(275,164)		(275,164)
Retained Earnings (Deficit)	(5,159,183)		(5,159,183)
Total Fund Equity	9,158,817		9,158,817
Total Liabilities and Fund Equity	$ 32,384,883	$ 2,162,140	$ 34,547,023

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
PROPRIETARY FUND TYPE - ALL ENTERPRISE FUNDS - BUDGETARY BASIS
For The Fiscal Year Ended June 30, 1985

	Liquor Commission	Sweepstakes Commission	Total
REVENUES:			
Business License Taxes	$ 10,447,548		$ 10,447,548
Fees	2,078,579		2,078,579
Public Service Enterprises	41,651,852	$ 15,132,678	56,784,530
Miscellaneous	167,166	109,385	276,551
Total Revenues	54,345,145	15,242,063	69,587,208
EXPENDITURES:			
Personnel Services	8,407,860	1,050,162	9,458,022
Supplies and Materials	159,420	84,959	244,379
Communications Services	184,596	79,234	263,830
Travel	79,218	59,654	138,872
Printing and Binding	38,974	491,322	530,296
Advertising	167,939	274,740	442,679
Commissions		679,407	679,407
Heat, Light and Power	460,075	466	460,541
Rent and Rentals	1,176,538	98,590	1,275,128
Repairs and Alterations	524,863		524,863
Miscellaneous	260,173	248,931	509,104
Grants and Subsidies	1,527,425	7,848,511	9,375,936
Capital Outlays	19,956		19,956
Total Expenditures	13,007,037	10,916,026	23,923,063
Excess (Deficit) Revenues Over Expenditures	41,338,108	4,326,037	45,664,145
Less - Depreciation	767,825	16,827	784,652
Net Excess (Deficit) Revenues Over Expenditures	40,570,283	4,309,210	44,879,493
LESS CHANGES IN RETAINED EARNINGS OR FUND EQUITY			
Transfer to General Fund	41,125,704		41,125,704
Plant and Equipment Costs Capitalized	212,404		212,404
Sub Total	(767,825)	4,309,210	3,541,385
DISTRIBUTION TO EDUCATION & GENERAL FUND		(4,309,210)	(4,309,210)
Net Increase (Decrease) in Retained Earnings Balance During the Year	(767,825)		(767,825)
Designated Reserve/Retained Earnings - July 1	(4,391,358)		(4,391,358)
Designated Reserve/Retained Earnings - June 30	$(5,159,183)	$	$(5,159,183)

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
PROPRIETARY FUND TYPES - ALL ENTERPRISE FUNDS - BUDGETARY BASIS
For The Fiscal Year Ended June 30, 1985

	Liquor Commission	Sweepstakes Commission	Total
SOURCE OF FUNDS			
OPERATIONS			
Income Before Transfers and Distribution to Education and General Fund	$ 40,570,233	$ 4,309,210	$ 44,879,493
Items Not Requiring the Use of Working Capital:			
Depreciation	716,825	16,828	733,653
Total Financial Resources from Operations	41,287,108	4,326,033	45,613,146
(Increase) Decrease in Working Capital		19,242	19,242
Contributions from Other Funds	153,428		153,428
Total Source of Funds	$ 41,440,536	$ 4,345,280	$ 45,785,816
USE OF FUNDS			
Additions to Fixed Assets	314,832	36,070	350,902
Transfers to General Fund	41,125,704		41,125,704
Transfer to Education		4,309,210	4,309,210
Total Use of Funds	$ 41,440,536	$ 4,345,280	$ 45,785,816
CHANGES IN COMPONENTS OF WORKING CAPITAL			
Current Assets			
Cash and Temporary Investments		$(581,201)	$(581,201)
Cash Other	$(40,172)	455,721	415,549
Cash Equivalents		25,000	25,000
Accounts Receivable	101,439	73,550	174,989
Due from Other Funds		390,790	390,790
Inventories	306,754	25,766	332,520
Total Current Assets	368,021	389,626	757,647
Current Liabilities			
Accounts Payable and Accruals	(17,152)	(408,868)	(426,020)
Due to Other Funds	(350,869)		(350,869)
Total Current Liabilities	(368,021)	(408,868)	(776,889)
Increase (Decrease) in Working Capital	$	$(19,242)	$(19,242)

STATE OF NEW HAMPSHIRE
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES
TRUST AND AGENCY FUNDS - BUDGETARY BASIS
JUNE 30, 1985

	N. H. Retirement System	N. H. Hospital Trust Funds	N. H. Youth Development Center	Laconia State School/ Training Center	N. H. Home For The Elderly	Proof of Financial Responsibility	Income Tax Withholding	Social Security Tax Withholding Account
ASSETS								
Cash	$ 969,789	$ 775,158	$ 33,725	$ 61,602	$ 11,361	$ 173,071	$ 3,965	$ 941,856
LIABILITIES, RESERVES & FUND BALANCE								
Fund Balance Reserve Member/ Employer Contribution	$ 969,789							
Trust Fund Balance		$ 775,158	$ 33,725	$ 61,602	$ 11,361	$ 173,071	$ 3,965	$ 941,856
Total Liabilities Reserve & Fund Balance Retained Earnings	$ 969,789	$ 775,158	$ 33,725	$ 61,602	$ 11,361	$ 173,071	$ 3,965	$ 941,856

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
FIDUCIARY FUND TYPES - TRUST AND AGENCY FUNDS - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 1985

	N. H. Retirement System	N. H. Hospital Trust Funds	N. H. Youth Development Center	Laconia State School / Training Center	N. H. Home for the Elderly	Proof of Financial Responsibility	Income Tax Withholding	Social Security Tax Withholding Account
REVENUES								
Contributions	$ 60,465,738	$ 194,869				$ 191,174		
Investment Income	151,753	87,790	$ 3,312	$ 4,974	$ 882			
Taxes/Bonds & Insurance Withheld							$ 26,571,716	$ 24,653,273
Other								
Total Revenue	60,617,491	282,659	3,312	4,974	882	191,174	26,571,716	24,653,273
EXPENDITURES								
Benefits and Refunds	42,686,012	87,756	848			163,100		
Taxes/Bonds & Insurance Withheld							26,570,147	24,574,876
Other	50,000							
OTHER DECREASES								
Transfer to Custodian	18,561,678							
Total Expenditures & Other Decreases	61,297,690	87,756	848			163,100	26,570,147	24,574,876
Net Increase (Decrease) in Fund Balance for the Year	(680,199)	194,903	2,464	4,974	882	28,074	1,569	78,397
FUND BALANCES, JULY 1, 1984	1,649,988	580,255	31,261	56,628	10,479	144,997	2,396	863,459
FUND BALANCES, JUNE 30, 1985	$ 969,789	$ 775,158	$ 33,725	$ 61,602	$ 11,361	$ 173,071	$ 3,965	$ 941,856

Subscription U.S. Savings Bonds Employees	Japanese Charitable Fund	Motor Vehicle Road Toll Bond Account	N.H. Rural Rehabilitation Corp.	Special Fund For Second Injuries	Special Fund For Active Cases	Unclaimed Abandoned Property	OASDI Wage Contribution Fund	Total
$ 26,579	$ 40,216	$ 500	$ 107,506	$ 1,328	$ 47,794	$ 24,166	$ 798,100	$ 4,016,676
								$ 969,749
$ 26,579	$ 40,216	$ 500	$ 107,506	$ 1,328	$ 47,794	$ 24,166	$ 798,100	3,046,927
$ 26,579	$ 40,216	$ 500	$ 107,506	$ 1,328	$ 47,794	$ 24,166	$ 798,100	$ 4,016,676

Subscription U.S. Savings Bonds Employees	Japanese Charitable Fund	Motor Vehicle Road Toll Bond Account	N.H. Rural Rehabilitation Corp.	Special Fund For Second Injuries	Special Fund For Active Cases	Unclaimed Abandoned Property	OASDI Wage Contribution Fund	Deferred Compensation	Total
							$ 91,001,795	$ 2,958,355	$ 154,811,931
	$ 3,204		$ 10,160	$ 3,800	$ 7,195		134,522		407,592
									51,224,989
$ 280,611					217,112	$ 53,735			551,458
280,611	3,204		10,160	3,800	224,307	53,735	91,136,317	2,958,355	206,995,970
	2,950		10,150		188,684	36,625		2,958,355	46,134,480
276,987							91,218,194		142,640,204
			149	81,854			144,432		276,435
									18,561,678
276,987	2,950		10,299	81,854	188,684	36,625	91,362,626	2,958,355	207,612,797
3,624	254		(139)	(78,054)	35,623	17,110	(226,309)		(616,827)
22,955	39,962	500	107,645	79,382	12,171	7,056	1,024,409		4,633,503
$ 26,579	$ 40,216	$ 500	$ 107,506	$ 1,328	$ 47,794	$ 24,166	$ 798,100	$	$ 4,016,676

STATE OF NEW HAMPSHIRE
GENERAL LONG TERM DEBT - BUDGETARY BASIS
STATEMENT OF GENERAL LONG TERM DEBT
As of June 30, 1985

Amounts available and to be provided for the Retirement of Long Term Debt:	
Amount Available for Payment of Bonds	$ 5,680,854
Amount to be Provided for Payment of Bonds - Various Funds	339,027,146
Amount to be Provided for Payment of Bonds - University of N. H.	22,492,000
Amount to be Provided for Payment of Water Pollution Contracts	2,444,371
Total Available and to be Provided	$ 369,644,371

General Long Term Debt Payable:	
Bonds Payable	$ 367,200,000
Water Pollution Contracts Payable	2,444,371
Total Long Term Debt Payable	$ 369,644,371

STATE OF NEW HAMPSHIRE
GENERAL LONG TERM DEBT - BUDGETARY BASIS
BOND DEBT SERVICE SCHEDULE
As of June 30, 1985

Fiscal Year Ending June 30	Principal	Interest	Total Principal and Interest
1986	$ 28,080,000	$ 27,841,596	$ 55,921,596
1987	25,990,000	25,220,388	51,210,388
1988	24,710,000	23,402,533	48,112,533
1989	23,835,000	21,641,265	45,476,265
1990	24,225,000	19,917,983	44,142,983
1991	24,365,000	18,165,873	42,530,873
1992	21,115,000	16,430,933	37,545,933
1993	21,085,000	14,884,130	35,969,130
1994	21,025,000	13,325,990	34,350,990
1995	19,075,000	11,818,030	30,893,030
1996	17,675,000	10,388,282	28,063,282
1997	16,480,000	9,067,877	25,547,877
1998	15,025,000	7,807,983	22,832,983
1999	13,850,000	6,612,888	20,462,888
2000	12,750,000	5,468,963	18,218,963
2001	12,500,000	4,384,338	16,884,338
2002	9,870,000	3,325,088	13,195,088
2003	9,885,000	2,508,950	12,393,950
2004	8,085,000	1,788,363	9,873,363
2005	5,985,000	1,226,600	7,211,600
2006	4,010,000	825,638	4,835,638
2007	2,890,000	572,800	3,462,800
2008	1,640,000	387,275	2,027,275
2009	1,550,000	264,250	1,814,250
2010	750,000	145,500	895,500
2011	750,000	72,750	822,750
	$ 367,200,000	$ 247,496,266	$ 614,696,266

STATE OF NEW HAMPSHIRE
GENERAL LONG TERM DEBT - BUDGETARY BASIS
DEBT SERVICE
For the Fiscal Year Ended June 30, 1985

	Total	General Fund	Highway Fund	Special Fund	Capital Fund	Sinking Fund
Bond Principal - Appropriated	$ 24,600,000	$ 15,800,000	$ 4,250,000	$ 4,400,000	$ 150,000	
- Unappropriated	10,000					$ 10,000
Bond Interest - Appropriated	24,151,773	15,844,835	2,219,713	5,898,575	188,650	
Principal & Interest Payments to Bondholders	48,761,773	31,644,835	6,469,713	10,298,575	338,650	10,000
Less:						
Cash Received from U. N. H.						
- Bond Principal	1,487,000	1,487,000				
- Bond Interest	1,194,062	1,194,062				
NET PAYMENTS	$ 46,080,711	$ 28,963,773	$ 6,469,713	$ 10,298,575	$ 338,650	$ 10,000

STATE OF NEW HAMPSHIRE
GENERAL LONG TERM DEBT - BUDGETARY BASIS
STATEMENT OF CHANGES IN GENERAL LONG TERM DEBT
For the Fiscal Year Ended June 30, 1985

	Balance July 1, 1984	General Obligation Bonds Issued	General Obligation Bonds Retired	Debt Service Fund Operations	Balance June 30, 1985
Amounts Available in Debt Service Funds	$ 4,251,008			$ 1,429,846	$ 5,680,854
Amounts to be Provided for Retirement of Long Term Debt - Various Funds	309,579,992	$ 54,000,000	$ 23,123,000	(1,429,846)	339,027,146
- University of N. H.	23,979,000		1,487,000		22,492,000
Total Available and to be Provided	$ 337,810,000	$ 54,000,000	$ 24,610,000	$	$ 367,200,000
General Obligation Debt Payable: Serial Bonds	$ 337,810,000	$ 54,000,000	$ 24,610,000	$	$ 367,200,000
Total General Obligations Debt Payable	$ 337,810,000	$ 54,000,000	$ 24,610,000	$	$ 367,200,000

STATISTICAL SECTION

STATE OF NEW HAMPSHIRE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES - BUDGETARY BASIS
For the Last Five Fiscal Years

	Fiscal Year Ended June 30,				
	1981	1982	1983	1984	1985
REVENUES:					
General Property Tax	$ 7,826,042	$ 7,394,792	$ 5,785,258	$ 15,727,835	$ 10,306,798
Special Taxes	99,957,630	154,695,850	158,340,638	224,786,421	246,613,801
Poll or Personal Taxes	26,722,486	26,211,973	25,959,648	33,580,958	32,723,606
Business License Taxes	76,938,925	88,574,946	90,605,182	102,612,281	107,796,131
Non-Business License Taxes	26,894,237	28,359,598	28,612,133	36,496,914	39,252,507
Fees	10,460,289	17,002,804	21,387,634	20,820,280	24,022,086
Fines, Penalties and Interest	4,733,872	5,431,495	7,670,458	8,710,560	15,098,020
Grants from Federal Government	245,754,316	226,524,647	250,277,567	261,369,432	305,313,198
Grants from Private and Local Sources	21,026,417	24,693,892	27,537,800	28,608,772	27,196,255
Rents and Leases	2,507,554	2,752,017	2,608,282	2,827,331	3,432,010
Interest, Premiums and Discounts	3,280,888	2,767,217	2,120,053	3,623,055	3,764,789
Sale of Commodities	3,094,835	4,025,874	3,070,293	4,117,529	3,565,423
Sale of Services	24,543,142	27,896,378	28,082,258	26,972,057	29,208,284
Assessments	17,122,247	20,279,307	20,768,988	23,243,700	25,556,571
Grants from Other Agencies	20,278,174	18,957,895	20,683,357	26,572,203	32,656,574
Public Service Enterprise	51,302,105	52,839,058	54,695,469	59,176,127	56,784,530
Miscellaneous	10,496,392	16,687,587	19,305,157	22,604,996	20,196,234
Total Revenues	652,939,551	725,095,330	767,510,175	901,850,451	983,482,769
EXPENDITURES:					
General Government	104,378,065	94,798,375	117,847,180	123,006,765	128,082,309
Administration of Justice and Public Protection	67,165,287	75,877,522	83,019,625	92,501,462	122,218,985
Resource Protection and Development	34,667,949	35,553,237	45,759,725	40,456,850	42,755,823
Transportation	84,906,044	89,976,853	93,064,345	108,092,729	116,281,182
Health and Social Services	220,566,533	225,575,157	247,383,093	267,135,292	288,388,461
Education	108,903,944	110,392,345	108,716,261	117,763,845	119,256,701
Debt Service	36,382,296	46,807,582	48,239,688	49,997,452	51,602,563
Capital Outlays	65,600,281	58,061,011	70,784,131	63,342,458	90,395,861
Total Expenditures	722,570,399	737,042,082	814,814,048	862,296,853	958,941,845
Excess of Revenue Over (Under) Expenditures	(69,630,848)	(11,946,752)	(47,303,873)	39,553,598	24,540,924
OTHER FINANCING SOURCES (USES):					
Bonds Authorized and Unissued	33,240,142	7,500,000	36,800,045	64,921,100	79,049,444
Bonds Authorized Reduction		(12,800,044)	(1,799,403)	(405,103)	(845,303)
Operating Transfers In	99,938,494	117,835,020	111,182,522	105,444,099	108,187,153
Operating Transfers Out	(98,658,300)	(116,991,028)	(111,182,522)	(105,444,099)	(108,187,153)
Cumulative Effect of Enterprise Fund					
Transfer for Change in Accounting Principle			566,121		
Distribution to Education/General Fund	(3,785,205)	(3,015,758)	(7,121,192)	(5,657,567)	(4,309,210)
Miscellaneous	304,239	1,146,617	(3,413,585)	6,807,401	75,602
Total Other Financing Sources (Uses)	31,039,370	(6,325,193)	25,031,986	65,665,831	73,970,533
Excess of Revenues and Other Sources (Over) Under Expenditures and Other Uses Before Change in Accounting Principle	(38,591,478)	(18,271,945)	(22,271,887)	105,219,429	98,511,457
Adjustment to reflect cumulative effect to June 30, 1982 of a change in Accounting Principle.			10,181,381		
Excess of Revenues and Other Sources (Over) Under Expenditures and Other Uses	(38,591,478)	(18,271,945)	(12,090,506)	105,219,429	98,511,457
FUND BALANCE - JULY 1	233,285,085	194,693,607	176,421,663	164,331,157	269,550,585
FUND BALANCE - JUNE 30	$ 194,693,607	$ 176,421,662	$ 164,331,157	$ 269,550,586	$ 368,062,042

STATE OF NEW HAMPSHIRE
COMPARATIVE STATEMENT OF REVENUES AND BOND PROCEEDS
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES - BUDGETARY BASIS
(Dollars in Thousands)

	Fiscal Year Ended June 30,				
	1981	1982	1983	1984	1985
General Property Taxes	$ 7,826	$ 7,395	$ 5,785	$ 15,728	$ 10,307
Special Taxes	99,958	154,696	158,341	194,562	246,614
Poll or Personal Taxes	26,723	26,212	25,960	33,581	32,724
Business License Taxes	76,939	88,575	90,605	102,612	107,796
Non-Business License Taxes	26,894	28,360	28,612	36,497	39,252
Fees	10,460	17,003	21,388	20,820	24,022
Fines, Penalties and Interest	4,734	5,432	7,670	8,711	15,098
Grants from Federal Government	245,754	226,524	250,278	261,369	305,313
Grants from Private and Local Sources	21,027	24,694	27,538	58,834	27,196
Rents and Leases	2,508	2,752	2,609	2,827	3,432
Interest, Premiums and Discounts	3,281	2,767	2,120	3,623	3,765
Sale of Commodities	3,094	4,026	3,070	4,118	3,565
Sale of Services	24,543	27,896	28,082	26,972	29,204
Assessments	17,122	20,279	20,769	23,244	25,557
Public Service Enterprise	51,302	52,840	54,695	26,572	56,785
Miscellaneous	10,497	16,687	19,305	59,176	20,196
Grants from Other Agencies	20,278	18,958	20,683	22,604	32,657
Sub Total	652,940	725,096	767,510	901,850	983,483
Bonds Issued	87,250		36,000	52,000	54,000
Total Receipts	$ 740,190	$ 725,096	$ 803,510	$ 953,850	$ 1,037,483

STATE OF NEW HAMPSHIRE
COMPARATIVE STATEMENT OF EXPENDITURES - BY OBJECT
ALL GOVERNMENTAL AND PROPRIETARY FUNDS - BUDGETARY BASIS
(Dollars in Thousands)

	Fiscal Year Ended June 30,				
	1981	1982	1983	1984	1985
Personnel Services	$ 166,880	$ 176,932	$ 183,523	$ 196,775	$ 236,995
Supplies & Materials	21,078	20,574	21,638	20,618	24,382
Subsistence & Support of Persons	5,338	5,636	6,457	6,645	7,366
Communications Service	4,742	5,774	6,122	6,276	7,706
Travel Expense	5,357	5,292	5,967	6,035	7,060
Transportation	1,112	122	138	221	118
Printing and Binding	1,595	1,844	1,947	1,825	2,317
Advertising	744	804	941	973	1,228
Heat, Light & Power	4,640	7,888	7,758	7,953	7,566
Rents and Rentals	14,386	15,750	14,686	17,131	17,756
Repairs and Alterations	5,994	4,798	6,419	6,703	7,086
Motor Vehicle Upkeep	3,855	4,118	3,747	3,618	3,818
Contract Earnings	1,435	1,654	2,576	870	1,986
Miscellaneous	24,231	17,763	23,863	38,838	35,153
Grants and Subsidies	359,179	362,635	410,008	434,477	456,407
Debt Service	36,403	47,397	48,240	49,997	51,602
Sub Total	656,969	678,981	744,030	798,955	868,546
Capital Outlays	65,601	58,061	70,784	63,342	90,396
Total Expenditures	$ 722,570	$ 737,042	$ 814,814	$ 862,297	$ 958,942

STATE OF NEW HAMPSHIRE
COMPARATIVE STATEMENT OF UNDESIGNATED SURPLUS
GENERAL FUND - BUDGETARY BASIS

	Fiscal Year Ended June 30,				
	1981	1982	1983	1984	1985
Balance, July 1	$ 9,643,372	$(30,637,551)	$(33,178,689)	$(40,056,175)	$ 1,332,709
Adjustment to reflect the cumulative effect to June 30, 1982 of a Change in Accounting Principle			10,181,381		
Additions:					
Unrestricted Revenue:					
Beer	5,071,223	6,063,669	6,885,434	10,416,723	11,212,926
Board and Care	14,357.371	17,308,728	16,225,209	13,584,977	15,303,545
Business Profits Tax	57,339,717	79,737,252	72,535,316	101,935,006	111,056,553
Estate and Legacy Tax	9,996,975	9,321,227	10,580,393	11,827,459	10,607,329
Insurance	14,884,318	16,529,912	16,383,696	18,728,118	20,810,742
Liquor	41,217,748	42,386,108	42,464,860	43,421,925	42,972,745
Meals and Rooms	25,033,970	38,538,995	44,279,155	51,789,461	57,101,151
Other	21,396,932	23,134,145	29,479,928	35.216,339	40,687,785
Racing	9,476,014	7,376,996	7,362,181	7,740,427	9,512,013
Telephone	7,608,376	7,244,130	5,328,411	15,439,710	10,051,884
Tobacco	26,722,486	26,211.973	25,959,648	33.580,958	32,722,886
Utilities	1,674,257	670,971	519,529	6,081,385	6,739,401
Intangible Tax	1,402,173	15,070,913	16,848,650	22,651,176	24,496,387
Sweepstakes Revenue		610,234	4,121,193		
Savings Bank Tax		5,235,082	5,626,930	7,441,020	7,035,267
Real Estate Transfer Tax	3,031,327	5,164,165	7,581,020	22,484,173	30,283,391
Total Unrestricted Revenue	239,212,887	300,604,500	312,181,553	402,338,857	430,594,005
Reversal-Utilities Franchise Tax				5,742,000	
Transfer from Other Funds	31,792	405,002	3,271,733	321,746	503,982
Bonds Authorized and Unissued				1,500,000	
Other Credits	294,060	276,713	259,994	397,830	636,075
Total Additions	239,538,739	301,286,215	315,713,280	410,300,433	431,734,062
Deductions:					
Appropriations:					
General Government	80,354,111	86,826,843	107,357,147	120,262,893	115,746,315
Justice and Public Protection	23,406,923	22,433,277	21,998,356	29,849,618	41,669,305
Resource Protection and Development	17,196,229	18,327,428	18,339,242	20,146,436	20,697,436
Transportation	1,073,439	1,024,082	700,086	759,621	729,261
Health and Social Services	56,079,212	65,554,764	75,459,878	86,006,983	91,974,730
Education	51,063,540	52,646,519	50,579,970	51,011,083	52,988,596
Liquor Commission	11,679,123	12,679,528	13,168,184	13,234,695	13.598,974
Special Fund	53,759,762	59,155,313	64,989,504	60,380,889	67,569,283
Total Appropriations	294,612,339	318,647,714	352,592,367	381,652,218	404,973,900
Lapses	(15,256,821)	(15,069,831)	(32,637,217)	(14,068,329)	(20,373,498)
Net Appropriations	279,355.518	303.577,883	319,955,150	367,583,889	384,600,402
Transfers to Other Funds	119,447		5,052		100,000
Utilities - Franchise Tax			5,742,000		
Prior Year Refunds - B.P.T.			6,669,766		
Other Debits	344,697	249,470	400,179	1,327,660	606,248
Total Deductions	279,819,662	303,827,353	332,772,147	368,911,549	385,306,650
Balance, June 30	$(30,637,551)	$(33,178,689)	$(40,056,175)	$ 1,332.709	$ 47,760,121

STATE OF NEW HAMPSHIRE
COMPARATIVE STATEMENT OF UNDESIGNATED SURPLUS
HIGHWAY FUND - BUDGETARY BASIS

	Fiscal 1985		Fiscal 1984	
Balance, July 1		$ 18,903,574		$ 11,450,074
Additions:				
Unrestricted Revenue:				
Gasoline Tax	$ 66,361,849		$ 65,682,870	
Motor Vehicle Fees	37,810,909		35,444,343	
Other	2,761,083		2,407,455	
Total Unrestricted Revenue		106,933,841		103,534,668
Bonds Authorized		16,855,475		41,196,500
Bonds Authorized Reclass - Prior Year		499,292		
Other Credits		4,599		6,087
Total Additions		124,293,207		144,737,255
Deductions:				
Appropriations:				
Gross Appropriations	127,210,663		138,495,632	
Less: Lapses	6,664,723		7,446,780	
Net Appropriations		120,545,940		131,048,852
Other Debits/Adjustments		7,643,998		6,234,903
Total Deductions		128,189,938		137,283,755
Balance, June 30		$ 15,006,843		$ 18,903,574

STATE OF NEW HAMPSHIRE
COMPARATIVE STATEMENT OF UNDESIGNATED SURPLUS
FISH AND GAME FUND - BUDGETARY BASIS

	Fiscal 1985		Fiscal 1984	
Balance, July 1		$ 623,531		$ 774,654
Additions:				
Unrestricted Revenue	$ 3,738,833		$ 3,472,566	
Other Credits	53,979		46,810	
Total Additions		3,792,812		3,519,376
Deductions:				
Appropriations:				
Gross Appropriations	4,091,028		3,802,271	
Less Lapses	150,228		131,801	
Net Appropriations		3,940,800		3,670,470
Other Debits/Adjustments		32,373		29
Total Deductions		3,973,173		3,670,499
Balance, June 30		$ 443,170		$ 623,531

STATE OF NEW HAMPSHIRE
SUMMARY OF REVENUE AND EXPENDITURES
DEBT SERVICE FUND - EASTERN NEW HAMPSHIRE TURNPIKE - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 1985

REVENUE		
Tolls	$ 9,832,470	
Miscellaneous	44,717	
Total Revenue		$ 9,877,187
EXPENDITURES		
Permanent Personnel Services	1,434,168	
Current Expense	753,536	
Equipment	190,435	
Other Personnel Services	220,673	
Travel	2,829	
Benefits	278,722	
Permanent Improvements	567,966	
Debt Service	6,440,800	
Heating, Fuel and Electricity	227,509	
Traffic - State Police	312,963	
Other	437,669	
Total Expenditures		10,867,270
NET REVENUE (EXPENDITURES)		$(990,083)

STATE OF NEW HAMPSHIRE
SUMMARY OF REVENUE AND EXPENDITURES
DEBT SERVICE FUND - CENTRAL NEW HAMPSHIRE TURNPIKE - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 1985

REVENUE		
Tolls	$ 9,333,227	
Interest on Deposits	208,944	
Miscellaneous	63,723	
Total Revenue		$ 9,605,894
EXPENDITURES		
Permanent Personnel Services	1,201,469	
Current Expense	502,897	
Equipment	116,185	
Other Personnel Services	118,384	
Travel	2,035	
Benefits	222,032	
Permanent Improvements	329,389	
Debt Service	3,788,337	
Heating, Fuel and Electricity	198,067	
Traffic - State Police	450,363	
Other	255,807	
Total Expenditures		7,185,965
NET REVENUE		$ 2,419,929

STATE OF NEW HAMPSHIRE
COMPARATIVE STATEMENT OF OPERATIONS AND ANALYSIS OF RETAINED EARNINGS
ENTERPRISE FUND - LIQUOR COMMISSION - BUDGETARY BASIS

	June 30, 1985	June 30, 1984
SALES	$ 154,229,828	$ 156,757,552
Less: Forwarded to Legislative Funds	4,330	8,352
NET SALES	154,225,498	156,749,200
COST OF GOODS SOLD	112,573,647	114,638,682
Gross Profit	41,651,851	42,110,518
SELLING AND ADMINISTRATIVE		
Administration	1,742,075	1,616,270
Stores Operation	9,663,071	9,563,546
Warehouse	708,705	678,399
Workmen's Compensation	100,440	94,418
Total Selling and Administrative	12,214,291	11,952,633
Income (Loss) from Operations	29,437,560	30,157,885
OTHER INCOME		
Sweepstakes Commission	159,523	191,282
Liquor Licenses	838,106	841,531
Wine Licenses	467,369	452,667
Miscellaneous	13,823	17,209
Total Other Income	1,478,821	1,502,689
Operating Income (Loss)	30,916,381	31,660,574
INCOME FROM BEER OPERATIONS		
Receipts from Beer Licenses (Net)	765,728	760,254
Beer Taxes and Fines	10,448,746	9,656,469
Total	11,214,474	10,416,723
Less Beer Administration Enforcement	792,747	738,563
Net Profit from Beer Operations	10,421,727	9,678,160
Income (Loss) Before Depreciation and Other Charges	41,338,108	41,338,734
Less - Depreciation	767,825	713,286
Net Income (Loss)	$ 40,570,283	$ 40,625,448
Retained Earnings - July 1	$(4,391,358)	$(3,678,072)
Net Income	40,570,283	40,625,448
Less Equipment Acquisition Costs - Contributed from General Fund	212,404	922,128
Less Operating Transfer to General Fund	41,125,704	40,416,606
Retained Earnings - June 30	$(5,159,183)	$(4,391,358)

STATE OF NEW HAMPSHIRE
COMPARATIVE STATEMENT OF OPERATIONS AND RETAINED EARNINGS
ENTERPRISE FUND - SWEEPSTAKES COMMISSION - BUDGETARY BASIS

	June 30, 1985	June 30, 1984
Gross Sales	$ 15,209,571	$ 18,644,195
Less: Sales Refunds and Adjustments	76,893	1,578,585
Adjusted Gross Sales	15,132,678	17,065,610
Prizes	7,339,970	8,010,053
Gross Profit	7,792,708	9,055,557
Operating Expenses:		
Personnel Services	874,685	818,756
Benefits	175,477	169,743
Current Expenses	1,611,538	1,527,905
Commissions	521,305	584,169
Travel	59,654	58,438
Track Sales Offices	27,697	7,568
Centralized Data Processing	123,740	84,985
Liquor Commission	158,102	192,935
Depreciation	16,827	16,831
Miscellaneous	23,858	38,774
Total Operating Expenses	3,592,883	3,500,104
Other Income:		
Interest on Investments	101,660	95,392
Miscellaneous	7,725	6,722
Total Other Income	109,385	102,114
Net Income	$ 4,309,210	$ 5,657,567
Reserve for Distribution to Education / General Fund		
Beginning of Year - July 1		
Net Income	$ 4,309,210	$ 5,657,567
Less Distribution to Education	4,309,210	5,657,567
End of Year - June 30	$	$